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January-February 1941

Land and Freedom

An International Journal of the Henry George Movement Founded in 1901

FORTIETH ANNIVERSARY NUMBER

Four Decades of the Struggle for Freedom

War and Post-War Reconstruction in
Great Britain—Canada—France—Denmark

The Land Tax Fight in Oklahoma

Tom W. Cheek, President Oklahoma Farmers' Union

SPECIAL SUPPLEMENT

Section 2: A Legislative Framework
for the Philosophy of Henry George

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LAND AND FREEDOM

An International Journal of the Henry George Movement
(Founded by Joseph Dana Miller)

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January-February 1941

Vol. XL1, No. 1

WHOLE No. 224

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WHAT LAND AND FREEDOM STANDS FOR

We declare:

That the earth is the birthright of all Mankind and that all have an equal and unalienable right to its use.

That man's need for the land is expressed by the Rent of Land; that this Rent results from the presence and activities of the people; that it arises as the result of Natural Law, and that it therefore should be taken to defray public expenses.

That as a result of permitting land owners to take for private purposes the Rent of Land it becomes necessary to impose the burdens of taxation on the products of labor and industry, which are the rightful property of individuals, and to which the government has no moral right.

That the diversion of the Rent of Land into private pockets and away from public use is a violation of Natural Law, and that the evils arising out of our unjust economic system are the penalties that follow such violation, as effect follows cause.

We therefore demand:

That the full Rent of Land be collected by the government in place of all direct and indirect taxes, and that buildings, machinery, implements and improvements on land, all industry, commerce, thrift and enterprise, all wages, salaries and incomes, and every product of labor and intellect be entirely exempt from taxation.

That there be no restrictions of any kind imposed upon the exchange of goods within or among nations.

ARGUMENT

Taking the full Rent of Land for public purposes would insure the fullest and best use of all land. Putting land to its fullest and best use would create an unlimited demand for labor. Thus the job would seek the man, not the man the job, and labor would receive its full share of the product.

The freeing from taxation of every product of labor, including commerce and exchange, would encourage men to build and to produce. It would put an end to legalized robbery by the government.

The public collection of the Rent of Land, by putting and keeping all land forever in use to the full extent of the people's needs, would insure real and permanent prosperity for all.

"It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with Henry George among the world's social philosophers . . . No man, no graduate of a higher educational institution, has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker."—JOHN DEWEY.

Land and Freedom

Vol. XLI

JANUARY — FEBRUARY, 1941

No. 1

Comment and Reflection

IT may be that there is a widespread awakening to the importance of a reserve of free land to the prosperity of our country; that the vanishing of our frontiers is the cause of many of our present woes, including unemployment, low wages and depressions. It may even be that the influence of Henry George's teachings on this subject is permeating the American mind. At any rate, Mr. W. J. Cameron saw fit to speak out against this seeming tide of opinion in a recent talk on the Ford Sunday Evening Hour, broadcast over a nation-wide network, on the subject of "Frontiers."

IN the course of his talk, Mr. Cameron said: "To hear some people complain that there are no more frontiers, one might gain the impression that frontiers were made of frosted cake and candy. One might think also that we are a nation of frustrated frontiersmen imprisoned—suffocated—within these paltry three million square miles that comprise continental United States . . . The answer is that *no* frontiers have vanished—that every sort of frontier that ever was is still here. But to find a frontier one must first be a frontiersman. Several points are conveniently forgotten when we talk about frontiers. The first is that there is nothing very comfortable or inviting about them . . . They make men pay as the price of 'to have and to hold,' their sweat and blood . . . Is this the frontier whose passing you bewail? Then please be comforted; you can find it almost anywhere in the United States today. Any day you choose you can exchange the hardships of civilization for this. The United States is not settled yet . . . A population map of the United States will show you that ours is the most sparsely populated of all the great nations . . . 'But,' they say, 'there's no more *free land*.' *There never was any free land*. Frontiers are never *easy* and they are never *free*. The first man on the spot pays the highest price even if he does not pay a dollar . . . There is living room here that never was used, vast unoccupied empires waiting . . . The fact is, the price of pioneering is too high for most of us to pay . . ."

THERE are several points in Mr. Cameron's dissertation with which we can agree. It is true that "every sort of frontier that ever was is still here." It is true that the price of pioneering is "sweat and blood." It is true that the United States is sparsely populated. It is true that there are "vast unoccupied empires waiting." And finally, but in a different sense from Mr. Cameron's, it is true that "the price of pioneering is too high for most of us to pay."

HAVING yielded to Mr. Cameron on the foregoing, perhaps it would not be amiss for us to ask a few questions:—Why is it that shipload after shipload of pioneers came to America centuries ago, knowing that they would not find "frosted cake and candy"? Why do not a great number of pioneers come from Europe today? Do they prefer the conditions with which they are now faced to the hard life of the frontiers? Are they not willing to pay the price of "sweat and blood" in order to live in peace and freedom? If they are willing to come (and God knows they are!), why do we erect immigration barriers, when there are so many frontiers to cultivate? What about our own millions of unemployed—descendants of pioneers; are they too lazy to work on the millions and millions of acres of fertile land now out of use? Do they prefer the comfort of the park bench and the municipal lodging house? Should not our Government give public notice that there are "vast unoccupied empires waiting"? Would no one respond? Why was there such a desperate rush when the Government gave out similar notices in the nineteenth century?

ARE the migrant workers samples of people who prefer the comforts of civilization to the hardships of the frontier? Are they not modern pioneers seeking new frontiers? Why do they not find them, when they exist everywhere? When the "bootleg" coal miners went to work on a large company's deserted mine, were they not pioneering? Does Mr. Cameron recall their fate? Does he know that there are vast empires comprising millions of fertile acres in our middle West, through which one can drive all day without seeing a man at labor, and that a landless wretch would receive treatment as a criminal were he to attempt to cultivate them on his own initiative? Is it barely possible that the barb-wire fence surrounding these empires is keeping off our modern pioneers? Can it be that extortionate rents are the present-day "price of pioneering"?

IN declaring that "there never was any free land," Mr. Cameron displays a naivete not in keeping with the seriousness of his subject. Can he possibly harbor a definition of "free" land as a place where men's requirements would produce themselves without human exertion? Not even the lowliest schoolboy could, for long, entertain the thought of such a paradise on earth. For the benefit of Mr. Cameron, may we remind him that from the very beginning men have never asked for an earth free of the natural obstacles imposed in His infinite wisdom by the Creator—what they have cried out against are the unnatural obstacles which have been wrought by Man himself.

Forty Years of the Struggle for Freedom

As Viewed in the Pages of Land and Freedom

1901! A new century—the amazing Twentieth Century. The United States was rapidly becoming a great world power, with possessions overseas, and unprecedented industrial expansions. The McKinley administration had ushered in a period of that sort of “prosperity” against which Henry George had warned. Monopolies and trusts were in the ascendant. The shadows of Standard Oil and United States Steel dominated the national scene.

Throughout the world there was ferment and unrest. In Europe, Asia, everywhere, old forms were crumbling. The people were awakening. Equality was struggling against inequality.

In the midst of these world affairs, a new social reform was striving valiantly to bring its message to a long suffering humanity. It was the movement to which Henry George gave memorable impetus—the struggle for freedom—free land, free trade, free men. This trinity was entering a new phase in the evening of the Gilded Age. Its foremost apostle had passed away only a few years before, and now it was confronted with a critical test of survival. The brave workers in the cause faced the turn of the century with an enthusiasm unabated and with a conviction unshaken.

The Founding of the Review

Among the leaders of the Henry George movement who were carrying on the struggle in various ways—political, propagandistic, educational—was Joseph Dana Miller. A figure already respected in the literary world, Miller chose to enlist as a full-time worker in the Georgeist cause rather than merely bask in the more comfortable fame of belles lettres.

Miller came to see the need of unity in the movement—or something that would rally together the many workers in all the diverse fields of endeavor, and demonstrate to themselves, as well as to the world, that they were severally engaged in the same noble task—of establishing the reign of natural law in the economic world.

With this in mind Joseph Dana Miller founded in 1901 the journal which now bears the name of LAND AND FREEDOM. It was originally styled the SINGLE TAX REVIEW. (The Georgeist reform in those days was commonly known as the “single tax”.) The REVIEW commenced as a quarterly. Vol. 1, No. 1 appeared in the Summer of 1901. The subtitle of the magazine was “A Record of the Progress of Single Tax and Tax Reform Throughout the World.” In his Publisher’s Notes, Miller wrote: “We believe the REVIEW will demonstrate its reason for being; that it is the

best propaganda medium now published, and that it is worthy of general support.”

The contents of Vol. 1, No. 1 were fairly indicative of the field the REVIEW was to cover for the years to come. Among the items were the following: The story of Tom L. Johnson’s brave fight for municipal reform and single tax as the newly-elected mayor of Cleveland; an account, by Lawson Purdy, of a Conference on Taxation held at Buffalo, composed of delegates appointed by the Governors of the States; an obituary, by Henry George, Jr., of James A. Herne, the famous playwright and actor, and author of the highly successful play, “Shore Acres,” which incorporated Georgeist principles; a hitherto unpublished letter from Leo Tolstoy, in which the great Russian writer said: “Henry George composed a multiplication table—clear, universally comprehensible, irrefutable. He has done his work. Let those who can put it in practice do their part. One thing is certain; as those who desire to make calculations cannot avoid the multiplication table so also those who desire to organize the social life of mankind on juster foundations will not be able to avoid Henry George’s plan, and will take it as their basis.” There were also reports of the activities of Georgeists throughout the country, state by state, and throughout the world, country by country.

Here at last was a medium for the Henry George movement throughout the world. As such a medium, the REVIEW was to keep a universal record of the progress of the single tax everywhere—progressive legislation, the activities of Georgeists, interpretations of significant current events, explanations of the philosophy for newcomers, theoretical and controversial discussions, recommendations for the conduct of Georgeist activities and for the advance of the movement.

The Status of the Movement

There was optimism in the ranks of Georgeists in those early days—optimism and determined effort. They saw their ideas spreading, many great men espousing the cause, advancing legislation throughout the world. It seemed that success was in sight. Hamlin Russell wrote in the REVIEW in 1902: “We have the right; more than that, it is our bounden duty to claim victory, full and complete.” From Denmark, Sophus Berthelson wrote: “We can plainly mark a growing comprehension among all classes of society, of the great social importance of our doctrines.” In 1905 Louis F. Post testified that the movement was making great strides. He acclaimed the present “progress in the minds and hearts of the masses of the people” as compared with

the more "ebullient times of George and McGlynn" when the masses were more astounded than understanding.

In New York, Lawson Purdy was carrying on the fight to separate the assessment of land from improvements, and rode to victory. In Chicago, a newly formed Single Tax Party was thrice put on the ballot and doubled its votes successively. In Colorado, Senator Bucklin was campaigning for the "Australasian Tax System." In the United States Congress, Robert Baker was staunchly speaking for tax reform. In Ohio, Tom L. Johnson was carrying his struggle against special privilege.

In China Dr. W. E. Macklin, missionary, was collaborating with Dr. Sun Yat Sen in translating Georgeist literature into Chinese for spreading the doctrines in that country. In Switzerland Oscar Schar reported that the land monopolists "found us more dangerous even than the Social Democrats, who looked towards an indefinite future for their hopes whereas our reform could have been easily and instantaneously put into practice." Danish Georgeists were increasing their strength in Parliament, and a new Danish Henry George League was spreading its influence. In Russia, Tolstoy was observing the general unrest, and urging Single Tax as the only measure that would save that country from revolution.

England gave encouraging signs of progress. John Paul reported that many English leaders, such as Sir Henry Campbell-Bannerman, Winston Churchill, Lord Asquith and others, were declaring themselves in favor of land value taxation. "Our question is at the very door of Parliament here," wrote Paul, "We have a knowledge of the political situation, know the constituencies, what can be done and what ought to be done." In Australia and New Zealand, tax reform was under way. Many municipalities in both countries provided for the exemption of improvements and a higher rate on land values.

To the nucleus of leaders in the Henry George movement, however, it was clear that there were numerous thorny roads ahead, much heart-breaking toil, and many disappointments to be suffered. Constantly in the SINGLE TAX REVIEW appeared "the clarions of the battle"—admonitions to Georgeists to pull together for the great work, plans and recommendations for the future of the movement. Naturally there were disagreements as to the best course to take, and unfortunately there were splits. There were those who advocated working with the major political parties; and there were those who advocated independent political action. There were leaders who asserted that the reform must be presented as a practical fiscal reform; and there were others who insisted on presenting the philosophy in its full strength. Some advocated cooperating with liberals and radicals and socialists; others opposed this, and insisted that socialists must be openly condemned.

The pages of the REVIEW were open to all these different ideas. Miller stood for free and open discussion on all questions. He was a true democrat. But he hoped that sufficient agreement would come out of them to unite all Single Taxers into one great organization.

The advocates of cooperation with the major parties chose the Democratic label. J. B. Vining reported in 1903 that "the Single Taxers of Ohio have gone on, step by step, until today the entire Democratic organization is thoroughly permeated with their influence."

Edward T. Weeks, who proposed independent political action, asked these questions: "1st - Where Single Taxers are free to organize politically, can they vote with parties which favor the ownership of land, without themselves incurring moral guilt? 2nd - Should our political work be governed by moral principle or by mere seeming expediency?" There was a storm over these questions, and the majority of Single Taxers appeared to be in favor of independent political action. However, nothing substantial was done for some time.

There were other views. "The Single Tax at present," wrote Jane Dearborn Mills, "is an educational work. How to make our organizations strong for the educating of the world is the vital question, until we can put the system into practical exercise."

There was a flood of different proposals, and a great number of organizations. A summer resort on single tax lines was conceived. A single tax colony near a great metropolis was suggested. A Single Tax Information Bureau was started in 1903. It printed and distributed 60,000 pieces of literature. There was a Henry George Class of Economics in 1906. There were many lecture bureaus. And such orators as John Z. White, James Morton, and Frederick Monroe toured the country on speaking engagements.

One of the important organizations was the Massachusetts Single Tax League, under the direction of Charles B. Fillebrown. In 1902 the League gave a banquet to college professors and economists for the purpose of bringing them together to agree or disagree on certain phases of Georgeist doctrines. Among the points submitted to the professors were the following: A tax upon ground rent cannot be shifted; the selling value of land is reduced by the tax that is paid upon it; ground rent is what land is worth for use. Most were recorded in the affirmative. Among the professors were T. N. Carver, E. R. A. Seligman, C. J. Bullock and G. S. Callender.

Every so often in the REVIEW would appear a summation of the progress and status of the movement. Miller was convinced the reform was making headway. His chief recommendation was that there be a national organization and fuller cooperation among all the workers in various fields.

Controversies

In 1904 Louis F. Post said: "The SINGLE TAX REVIEW is coming rapidly to justify its mission as the organ of the movement whose name it has adopted. It collects with considerable fullness the news of the movement as an organ should, and is as interesting as well, which organs sometimes fail to be."

Among the many factors that made the REVIEW interesting were the various doctrinal controversies, often exciting, that appeared therein. It was quite natural that the Georgeists who had a "bone to pick" should turn to columns of the REVIEW as their mouthpiece. From the earliest days, there were perennial discussions on the interest question, single tax and socialism, public ownership versus taxation, and more obscure doctrinal points.

The earliest controversy in the REVIEW on the interest question took place in 1904. It started with a criticism of Henry George's theory of interest by Joseph Faidy, a young New Orleans Georgeist. Mr. Faidy claimed that "interest exists on account of the opportunity of investing capital in land," and that it would disappear in a free social order. This article brought such an avalanche of replies, both in agreement and disagreement, that Miller was obliged to devote a large part of a subsequent issue to a symposium on the question. Among the contributors to this discussion were such prominent writers as Lewis H. Berens, Michael Flurscheim, Byron Holt, James Love, and Dr. S. Solis-Cohen.

In an editorial preface to the symposium, Miller disposed of the interest question in these syllogistic terms: "Interest is either natural, or it is not. If it is not, it will disappear under the reign of natural law which the Single Tax will inaugurate. But if it is natural, then it will persist, and its persistence will wrong no one." In the rule of economic freedom all laws are beneficent."

Another controversy that raged in the pages of the REVIEW was concerned with the Fairhope colony. Fairhope operated in some measure on single tax principles. An article appeared in the REVIEW criticizing Fairhope as a "semi-socialistic" scheme. Feeling ran high on this indictment, and the question was debated: Is Fairhope representative of Single Tax? Miller, as usual, allowed all sides to have their say, and he was criticized severely for this policy. Partisans of Fairhope ceased to give the REVIEW their support. Of one of these, Mr. Miller wrote: "We are sorry to lose Mr. as a subscriber, but if the price of his remaining on the list of our friends is suppression and silence we must perforce part with him, not, however, without regret that so good a friend of the cause should take this view of the matter." And again: "Both sides shall be heard until this unhappy controversy is disposed of."

Another article that evoked a storm was Peter Aitken's "The Chief Obstacle to the Single Tax and How to Remove It". As a matter of abstract principle, said Mr. Aitken, landowners are not entitled to compensation, but as a practical matter, the question of compensation should be considered. The volume of replies required space in the REVIEW for another symposium.

There were many similar questions freely and openly discussed in the SINGLE TAX REVIEW. No debatable subject went without a flood of replies. Mr. Miller allowed all to have a voice. The REVIEW was proving itself an indispensable mouthpiece of the movement.

Conferences, Organizations, Politics

In 1908 a National Single Tax Conference was held, at which a nation-wide organization was founded. It was the American Single Tax League, and Bolton Hall was elected president. The REVIEW was adopted as the official medium of the League. (At this time the editor found it propitious to change the REVIEW from a quarterly to a bi-monthly. Its frequency has since remained unchanged; to this day it is a bi-monthly.) The League secured its own headquarters, and engaged in propaganda work—and there it seems to have petered out.

There was an important series of conferences sponsored by the Joseph Fels Commission. The leaders of this Commission were Joseph Fels himself, Frederic C. Howe, Lincoln Steffens, Bolton Hall and Daniel Kiefer. At a conference in 1910, the Commission decided to devote its resources to political action. A plan for a land tax campaign in Oregon was worked out, with Hon. W. S. U'Ren as the leader. The campaign was conducted with determination, and it alarmed the entrenched interests to such an extent that they formed anti-single tax leagues, and with the help of a controlled press launched a desperate counter-drive. The Single Tax measures were defeated, but Georgeists encouraged by the near-success of their efforts, engaged in other campaigns. A Single Tax Bill was introduced in New York State. California had land-value-tax legislative proposals. A Land Value Tax Party was formed.

In England, Georgeists were fervent over the famous budget debates of 1909-1910 in Parliament. Winston Churchill and Lloyd George presented a bill for the taxation of land values. The House of Lords fought furiously and finally defeated it. In 1910 the Danish peasants rose and organized, and demanded uncompromisingly "Equal rights for all, the taxation of land values, complete free trade and special privileges for none."

The Joseph Fels Conference of 1914, reported in the REVIEW, gave evidence of progress along political lines. The city of Everett, in Washington, voted for a single tax amendment but its validity was questioned in the courts.

There was a campaign in Pueblo, Colorado, led by George J. Knapp, taking advantage of the home rule amendment, to secure tax-exemption of improvements. There were campaigns in Oregon, Missouri and California. Henry George, Jr., newly elected Congressman from New York, told of the movement in the District of Columbia to secure 100% valuation of land and to extend the number and power of assessors. The nation's capital was particularly a hot-bed of land speculation.

Special Numbers

During the years 1911 - 1913, Mr. Miller published several "Special Numbers" of the REVIEW, devoted to Georgeist reform in different countries.

The issue for May-June 1911 was a "Vancouver Special Number." Vancouver, in British Columbia, Canada, was proclaimed to be "the first Single Tax city in the world." L. D. Taylor, Mayor of Vancouver, wrote on the results of the Single Tax in his city, and pointed out the stimulating effects due to removal of taxes on buildings and industry.

The September-October 1911 issue was an "Edmonton and Grain Growers Number." The city of Edmonton in Alberta, Canada, was praised as the "freest city in America." In a feature article by Wm. Short, ex-mayor of Edmonton, the application of the Single Tax in Edmonton was discussed. The Grain Growers of Canada were also featured. The Farmers' Association of Alberta, Saskatchewan and Manitoba, declared themselves strongly in favor of land value taxation.

The March-April 1912 issue was a "Special Number for Germany." It featured the work of Adolf Damaschke, head of the German Bodenreform League. Poultney Bigelow, a close friend of Kaiser Wilhelm, praised the Kaiser as an advanced socialist who had studied "Progress and Poverty," and initiated a measure of Single Tax principle in the German province of Kiao-Chow in China. Many noted German professors wrote for this special number, on various phases of the land question in Germany. Among them: Dr. Karl Tolenske on "Land Tax or Nationalization of Mortgages", which latter course the Doctor advocated for Germany's particular case; Dr. Adolf Wagner on "Economic Science and the Unearned Increment Tax"; Dr. F. Schar on "The Nationalization of Water Power"; and Dr. W. Schrameier on the status of the land reform movement in the Empire.

The September-October 1912 issue appeared as a "New Zealand Special Number." It gave a full and detailed account of the history and progress toward Single Tax in legislation, how the people gained control of the legislature, and the status of the Henry George movement in that country. In New Zealand the United Labor Party was the political force which was most instrumental in securing the Single Tax advances.

The issue for January-February 1913 was a "Great Britain Special Number." It presented the story of the famous budget fights in Parliament, the movement for municipal land value taxation, and the Georgeist movement in England and Scotland. The Members of Parliament at that time who stood for land value taxation (known as "the land values group") were Francis Neilson, Josiah Wedgwood, Alexander Ure, R. L. Outhwaite, Peter W. Raffan, E. G. Hemmerde, Henry George Chancellor and James Dundas White. (Today the land values bloc comprises fifty M. P.'s.)

The November-December 1913 issue came out as a "New York City Special Number." It included a long and fascinating article "The Romance of New York Real Estate," by Joseph Dana Miller; it was a history of the land deals and the rise of land values in New York. Frederic C. Leubuscher wrote for this issue the exciting story of Henry George's mayoralty campaign of 1886. The interesting history of the Manhattan Single Tax Club was also presented; and biographies of the many Georgeist workers in New York appeared.

Many extra thousands of these special numbers were printed for wide distribution. They were indeed impressive documents and must have done much to spread Single Tax influence.

The War Years: 1914-1918

The world conflict which opened in 1914 was indeed the most disastrous the world had ever witnessed. Yet it did not enter the daily lives of people to the extent that the present struggle does. And it does not seem to have interfered seriously with Georgeist activities, though there was some abatement. In the January-February 1915 issue of the REVIEW appeared a list of Single Tax organizations and periodicals, which covered two pages. Toward the end of 1918, greater organizations and more daring projects were conceived than were ever before attempted.

As to the war itself, Miller took an editorial stand, from the beginning of the conflict, in behalf of the Allies. He was not deceived by the high-sounding phrases of the propagandists, and he indeed saw that the matter required an economic solution; but he saw Germany as an aggressor nation committing immoral acts, and he saw the war as a struggle—basically, though vaguely—between despotism and democracy.

In 1914 a New York State Single Tax League was formed, which held a Conference at Buffalo (reported in the September-October 1914 REVIEW). This Conference was notable in that there were outstanding recommendations offered for the conduct of the movement. Mary Boise Ely proposed working among college students, since their minds were as yet open and untrammelled. Prof. Lewis H. Clark

suggested a compact organization, patterned after political organizations, but devoted to educational work. The organization, he said, should be democratically run, with a constitution, committees and chairmen.

At this Conference, Oscar H. Geiger also spoke, proposing an educational program in the form of "reading circles." This is the earliest record of Geiger's utterance on the subject, and it is remarkable in its completeness. "Fundamental social betterment," said Geiger, "to be lasting, must come in response to a demand from the people, and the people must understand before they can demand . . . It is proper for us to try to get whatever measure of justice we can by such legal enactments as with the present state of the public mind we are able to obtain, but we must not delude ourselves into believing that *merely* direct effort toward legislation in the people's present state of mind will secure fundamental justice . . . This accepted, there remains only the selection of effective methods of educating the people. There are many ways, most are expensive, while many are fraught with the requirement of undue effort, and therefore wasted energy."

The method he offered was that of study groups. The whole educational program, as later exemplified in the Henry George School of Social Science that he was to found, was worked out fully. The idea aroused much interest, and was followed up with action. Reading circles were organized throughout New York State. However, the project did not continue to flourish.

1916 was the year of the first Great Adventure in California. This was a campaign to secure a Single Tax amendment in that state. Luke North was the leader; he and his fellow-workers conducted a whirlwind campaign. But, as usual, the opposition countered with all its resources—and the amendment was killed. There was another Great Adventure in 1918, which was also defeated. Luke North died shortly after.

A Conference was held at Niagara in 1916, at which an independent Single Tax political party was proposed. We can imagine the heat with which the proposal was discussed from what Miller wrote: "We may regret that the policy of independent party action had not been discussed in a calmer frame and a more philosophic mood. There are reasons for a party and there are reasons against it that were not heard by the Conference at all." At any rate, it would appear that the idea of a political party was germinating.

In November 1916, the fourth Conference of the New York State Single Tax League was held, at the University of Syracuse. It was the first time a Single Tax Conference was held within University walls. The economics course at the University of Syracuse was notable in that the four

or five hundred students of that subject devoted six weeks to the study of Henry George.

The SINGLE TAX REVIEW changed its format in 1918, to the present one. Mr. Miller submitted to his readers the question whether the magazine should also be converted into a monthly—but the vote was overwhelmingly in favor of keeping it a bi-monthly. In his editorial notes on the new appearance of the journal, he wrote: "The REVIEW, now, as in the past, will give the tax reform features of the movement . . . But the goal set out for the Single Tax shall be the goal constantly before our readers—*To Free Natural Opportunities and Industrial Enterprise from all Tribute* . . . The REVIEW will give its undeviating support to the Single Tax Party movement, and will encourage the formation of Party Organizations in every State, for a test of its principles at the polls. We have witnessed the utter collapse of all forms of Single Tax organization. For educational as well as political purposes Party Organization gives the fullest promise of cohesion and progress. The REVIEW will therefore endeavor to enlist the now hesitant body of our believers into an Army for Political Action."

Thus the REVIEW gave notice to the world on two points—it stood for the Georgeist philosophy in all its strength, and not in any diluted form; and it stood for a determined united effort on the part of all believers to lead the Georgeist reform to success.

Independent Party Action

The independent political action movement was taken up enthusiastically by a great number of Georgeists. There were many, however, who were indifferent, and others who even opposed the idea; but enough were in favor of it to form successful party organizations in many States. By the end of 1918, the Single Tax Party had organizations in half the States of the Union.

This Party movement was an outstanding milestone in the progress of our reform. It marked the close of an era of attempting to work with the major political parties, particularly the Democratic. There had been nothing but disappointment in that policy. Miller called it "one phase of Single Taxers' activities for two or three decades, a phase now demonstrably a failure and approaching an inglorious close." Henceforth the Georgeist movement was to be more clearcut. It was to build up its own resources for the spreading of its philosophy and reform.

During 1918 there were various State-wide Party Campaigns. In the New York State Campaign, Joseph Dana Miller was the unanimous choice of the Party for Governor. In 1919 Miller made an impassioned plea for a united nation-wide Party campaign. He wrote: "Great God! We are the torch-bearers of an economic world-gospel! We bring balm for the healing of the nations, a message for the oppressed, a new Magna Charta of emancipation for

mankind. If rejected, Leagues of Nations, covenants of peoples, are veritable 'scraps of paper.' Again autocracy will challenge the political democracies that even now are shaken by internal revolutions. Again the Man on Horseback, a pinchbeck Hohenzollern or a real Napoleon, will over-ride the world. Again on dying democracies, by power of cannon and shot and shell a modern Tamerlane will seek to fatten." This dire and remarkable "prophecy" is reminiscent of Henry George's immortal words in "Progress and Poverty." Miller was in dead earnest.

The plea for a national campaign bore fruit. A national Convention of the Single Tax Party was held. They decided to enter the 1920 general election with a platform and candidates of their own. James Robinson was appointed National Organizer; Robert Macauley, National Chairman; and Joseph Dana Miller, National Secretary. For once Georgeists all over the country were united in a nationwide venture.

The Single Tax Party decided to hold their 1920 Convention in Chicago—the city where the Farmer-Labor Party and the Committee of Forty-Eight were also convening. This latter was a group of liberals, malcontents, and radicals of all sorts and shades, brought together from the forty-eight states (hence the name) by a wealthy man who hoped to have them agree on a single platform, acceptable to all liberals. The Single Taxers had a reason for choosing the same locale as the Committee of Forty-Eight. They proposed to attend the Forty-Eight convention, and attempt to swing it over to a pure Single Tax platform.

It was a dramatic moment when the Single Taxers entered the Forty-Eight Convention hall. There were only about fifty of them, but as they entered the hall where five hundred indeterminate "reformers" were wrangling, the Committee leaders regarded this small group with apprehension. Here was a band who knew what they wanted, and were determined.

After endless wrangling, the Single Taxers, by sheer force of fighting their way through the mob, obtained a hearing. They read their platform, which was vociferously seconded. Confusion followed, and the Single Taxers were on the point of losing their case, when in an inspiring strategy they forced the Chairman to recognize their speaker. He was Oscar Geiger. He proceeded to pour forth an impassioned and inspiring speech for the Single Tax, which brought down the house. The Single Tax platform was unanimously adopted by that great crowd. But the Committee leaders, who insisted on playing politics, sought to effect a merger between the Committee of Forty-Eight and the Farmer-Labor Party. They marched over to the latter's convention hall—and that was the last of them. They were swallowed up by the larger party—and the Single Tax platform was lost.

Disgusted by this loose game of politics, the Single Taxers went ahead with their own Party convention—adopted the platform, voted on resolutions, nominated candidates. But they had won the respect of the liberals. "You men have a sense of solidarity," said Amos Pinchot to them. The Single Tax Presidential candidate was Robert Macauley, and the candidate for Vice President was Richard C. Barnum. The Party succeeded in getting on the ballot of twenty-four states. In the national election, the Single Tax vote was not huge, but was encouraging enough to arouse a desire for more national campaigns.

In England, many Georgeists were coming to the same conclusion as the American Georgeists—that it was futile to attempt cooperation with the major political parties, and that the only hope was in independent party action. An International Single Tax Conference was held at Oxford in 1923. There was intense discussion as to the value of attempting to work through the Liberal and Labor Parties, after so many years of disappointing stalemates, despite the presence of several courageous Georgeist Members of Parliament. There was a split between those who favored working with the present political set-up for whatever advances could be secured, and those who advocated an independent party to stand for the Georgeist reform in its fullness. The result was the founding of the Commonwealth Land Party, led by Graham Peace.

In America, the Single Tax Party decided to enter the national election of 1924. At their convention, Oscar Geiger urged the group to change the name of the Party, since the term "single tax" was a misnomer, and did not suggest all the implications of the Georgeist philosophy of freedom. The name of the Party was thereupon changed to the same as that of their English colleagues—the Commonwealth Land Party. At the same time (January 1924) the SINGLE TAX REVIEW changed its name to LAND AND FREEDOM.

The 1924 candidates were William J. Wallace for President, and John C. Lincoln for Vice-President. The candidates spoke at schools, forums and clubs, and received a good deal of press notice. The vote this time was not formidable, but Georgeists are not easily discouraged. However, this was to be the last nation-wide Single Tax campaign.

Fellow Travellers

A number of famous men, prominent in the political, civic, educational and literary worlds, have endorsed the Georgeist philosophy in one way or another. While these men may perhaps not be termed "Georgeists" in the full sense of the word, they have been "fellow travellers." Accepting Louis F. Post, Joseph Fels, Tom L. Johnson and Samuel Seabury as true followers of George, let us glance at some of our other friends through the pages of the SINGLE TAX REVIEW and LAND AND FREEDOM.

John Dewey, America's foremost philosopher, has often praised Henry George as a great social philosopher. His famous remark on George is quoted on the masthead page of this issue.

Hamlin Garland, the "dean of American letters," was a friend of Henry George, and in the early days appeared often at Georgeist gatherings. At a dinner given in his honor by the Manhattan Single Tax Club, he said: "Today our numbers are legion. The principles enunciated by Mr. George are being applied in a dozen adroit ways; not as 'Single Tax measures,' but under other names. Of this we do not complain. All we ask is to see the work done."

Edwin Markham, beloved American poet, was also often present at Georgeist meetings. His "Man With the Hoe" was reviewed by Joseph Dana Miller—the first review to appear in the East.

Elbert Hubbard, the famous Roycroft and author of the "Scrapbook," was deeply impressed by George, and published a brilliant essay on George's life and teachings. His "Scrapbook" also contains one of Joseph Dana Miller's outstanding pieces of verse, "A Hymn of Hate," in which the horrors of War are decried.

We have already spoken of Leo Tolstoy. As the years went on, Tolstoy was becoming more and more convinced that the Georgeist reform was the salvation of civilization.

George Bernard Shaw has from time to time acknowledged the influence of Henry George on his own ideas. He asserts that this influence was responsible for the founding of the Fabian Society. Of course, Shaw and the Fabians, while acclaiming George, would say "he didn't go far enough."

Many others prominent in the world of letters have endorsed George's views. Brand Whitlock embraced the Georgeist doctrine. Opie Read, the famous novelist, declared himself in favor of Georgeist reform in an interview reported in the REVIEW. Herbert D. Quick, another famous author, endorsed the philosophy, and his last article was written for the REVIEW. Frederic C. Howe and Lincoln Steffens, it has been noted, worked with the Joseph Fels Commission. Helen Keller, Kathleen Norris and many other writers have accepted the truths expounded by Henry George.

In the field of politics, many English statesmen were influenced by George during the first decade of the twentieth century when the English government "declared war on poverty." Outstanding among the measures proposed was land value taxation, endorsed by Lord Asquith, Winston Churchill, Sir Henry Campbell-Bannerman and Lloyd George. A later fellow traveller was Philip Snowden, Chancellor of the Exchequer.

In America, Supreme Court Justice Louis D. Brandeis was deeply interested in Henry George. He requested M.

N. Norwalk to translate for the SINGLE TAX REVIEW an article on the land question in Palestine, written in Yiddish. Woodrow Wilson seems to have been interested in George. Louis F. Post testifies that Wilson always kept a copy of "Progress and Poverty" on his desk. Col. George W. Goethals, engineer-in-chief of the Panama Canal, was a whole-hearted Georgeist. Surgeon General William C. Gorgas, the medical supervisor of the Panama Canal, declared that most medical problems were due to poverty, and that the solution to poverty was the Single Tax. Herbert Bigelow and Newton D. Baker declared themselves Single Taxers, but said "it is a matter for the future." Albert Einstein, world famous physicist, acknowledges his indebtedness to Henry George for the latter's beautiful synthesis of natural laws.

Henri Lambert, noted Belgian economist, was particularly impressed by Henry George's views on free trade. At the close of the World War he wrote an article for the SINGLE TAX REVIEW on "The Way to Salvation—an Economic Peace." In it he said: "The only remaining chance of salvation for civilization lies in the preservation by England, and the adoption by Germany, France and the United States, of a policy of international economic freedom and morality."

One of the most interesting figures of a couple of decades ago was Raymond Robins, brilliant lecturer, official and unofficial ambassador to many countries. Mr. Robins reported to Joseph Dana Miller an interview he had with Nikolai Lenin, leader of the newly formed Soviet Union. Robins asked Lenin why he did not apply the taxation of land values. Lenin replied: "The proper application of the Georgean taxation of land values is a tax on the mentality of a people and beyond the capacity of a nation not ten per cent of whom have learned to read. They cannot understand it. They can only understand socialism at present. Some day, with a higher average intelligence, we may adopt the taxation of land values and enjoy economic freedom, but not now."

Samuel Gompers, founder and first president of the American Federation of Labor, was a close friend of Henry George. However, in an issue of the SINGLE TAX REVIEW (1922), Joseph Dana Miller criticized Gompers for publicly offering palliatives for the solution of the economic problem, such as public works, and not mentioning the Georgeist reform as the real solution. Gompers replied to this criticism as follows: "I have declared and now say that I am a Single Taxer. I believe the Single Tax to be the most practical, effective and generally advantageous tax which can be imposed, but you take me to task because in my article on 'Abolish Unemployment' I did not declare for the Single Tax as a remedy for Unemployment. All I need say in reply is that the organized labor movement cannot

wait for the establishment of the Single Tax system to have our unemployed workmen at work."

In reply to Gompers, Mr. Miller pointed out that the Single Tax had been on the ballot in Oregon and California with many hundreds of thousands of votes; but "it does not appear from the records that Mr. Gompers was impelled to add his enormous influence to increase the vote in these States, yet had he done so, and kept at it, the movement would by this time have been much further advanced than his own program of public works . . . If Mr. Gompers sees the truth as Single Taxers see it, it is his duty to announce it publicly, to proclaim it bravely."

In 1929, Mr. Miller disclosed that Princess Alice of Greece was deeply interested in the Georgeist principles. In an interview, Mrs. Fiske Warren quoted the Greek princess as saying, "A tax on the value of land leads to an open opportunity for every one who works." Princess Alice was collaborating with Pavlos Giannelia (now our French correspondent) in translating Georgeist literature into Greek.

Joseph Dana Miller, the Writer

As we have said, Joseph Dana Miller was greatly respected in the literary world. His style was commended for its pure, simple and rounded quality. His clarity of expression, his mastery of the English language, and his keen comments in both verse and prose, won for him the reputation of being the greatest writer, next to Henry George, in the movement.

Miller was sought after by leading periodicals, here and abroad. Among the articles he wrote for magazines were the following: "The Fallacious Doctrine of Work," *Valley Magazine*; "Theodore Roosevelt and Tom L. Johnson—a Contrast," *The Arena*; "The Income Tax," *Belford's Magazine*; "The Difficulties of Democracy," *International Journal of Ethics* (Miller considered this his best article. Louis Adamic praises it highly in "My America"); "The Single Tax and American Municipalities," *National Municipal Review*; "Has the Single Tax Made Progress," *Dearborn Independent*.

One of Miller's finest achievements was "The Single Tax Year Book." It was a history, statement of principles and study of the application of the single tax. It was a work of nearly 500 pages, edited by Joseph Dana Miller, and published in 1917. This Year Book received many press notices and secured a wide distribution. It was placed in nearly 1000 libraries throughout the world, and many of them deemed it an invaluable source book.

Another of Mr. Miller's volumes appeared under the self-explanatory title, "Thirty Years of Verse Making." This was published in 1926. Mr. Miller insisted on calling his efforts "verse," not "poetry." In this compilation, the cream of many years of work, the verses were classified un-

der the following headings: Poems of Social Aspiration; Tributes to Notables; From the Library; Fields, Woods and Sea; Verses Occasional and Topical; and, In Lighter Vein.

Joseph Dana Miller's writings in LAND AND FREEDOM itself, over a period of four decades, especially his editorials (which appeared successively under the title of "Editorials," "Current Comment," and finally, "Comment and Reflection"), constitute a vast epic commentary on world affairs viewed in the light of fundamental economics.

Aroused over an issue, Miller's pen was something to be reckoned with. When the soldiers returned from the overseas war in 1919, and the Lane Report informed the nation that there was no way in which the soldiers could be replaced in the nation's industrial life, Miller blazed away. "This is the final smirch on America's honor. It makes us the laughing stock of the world. It is our punishment for our betrayal to civilization during three shameful years, for our shallow sentiment, false heroics and theatrical posturing. . . The statesmen who can think of nothing better than to consign our war-worn veterans to the swamp and the desert, are of the same timber as those who allowed the doors of opportunity to close in the rear of the recruits as they left home to defend their country, our own and civilization itself . . . The execrations of posterity will weigh heavy on the memories of those who, with their hands on the helm of state, failed in capacity or duty and guided her upon the rocks."

Mr. Miller proved his awareness of the real forces at work in his comments on the international scene. He said this of the Russian revolution: "We venture the prediction that as the Bolshevik experiment develops, it will be found that its chief contribution to human progress will be its exemplification of the policies to be avoided by nations who wish to improve their social conditions and its complete and triumphal refutation of the sophistries of Karl Marx and his followers." He saw the Fascist revolution in Italy as a reactionary revolution against the radicals then in control. "A resort to physical force by radicals invites the use of force by reactionaries."

Mr. Miller's comments had their humorous side. When the New School for Social Research was established, Miller greeted it thus: ". . . The New School for Social Research is now launched. All questions concerning man's social relations are now in a fair way of being solved. We rejoice at the announcement that 'there will be an attempt at factual rather than normative generalization,' and that 'an attempt will be made to explain the implicit assumptions involved in the prevailing technical treatment of such subjects as frequency distribution, types and averages, measures of dispersion, etc.'"

"On Thursdays the Course includes: 'Relation of the theory of errors to statistical theory. Theory and tech-

nique of the mathematical treatment of statistical frequency curves. The statistical problem of two variables. Linear and non-linear correlation. Importance of the equations of the regression lines as representing empirical laws. Etc., etc.'

"We lay down this announcement. Perhaps our levity will seem unpardonable, but we felt like Artemus Ward: 'We busted into tears and resolved to lead a different life—not necessarily a better life, but different.'"

Many of Mr. Miller's articles and editorials were reprinted in pamphlet form, at the request of many readers. Among them were: "Jones' Itemized Rent Bill," "Has the Single Tax Made Progress," "What is it that is Taught as Political Economy," and a keen "Comment and Reflection," written as late as 1938, criticizing President Roosevelt.

The Superlative Twenties

The nineteen-twenties ushered in another period of that hectic "prosperity" that does not deceive Georgeists. But the Georgeists were falling into disrepute. Their dire predictions seemed so fantastic.

Miller and his co-workers struggled valiantly to keep aloft the light of the Georgeist philosophy in its fullness. He strove to recapture that vision and determination which characterized the early days of the movement. He inspired the workers in the movement to carry on.

In those disappointing hours, another light flared on the horizon. In 1925 the Robert Schalkenbach Foundation was established. Robert Schalkenbach, recently deceased, made provision in his will for this Foundation, which was to publish the works of Henry George and encourage such literature as would be helpful in the propagation of the Georgeist philosophy. Mr. Miller joyfully featured this good news in *LAND AND FREEDOM*. It was another milestone in the progress of the movement. It was another step making the movement more clearcut. Henceforth Georgeists would not have to rely on an occasional publisher who would be willing to print George's literature. Here were the resources for doing so, right within the movement. Such steps had to be taken, since Henry George's works were so shamefully neglected by the contemporary publishing houses.

The Schalkenbach bequest provoked many editorials in leading newspapers. An editorial appeared in the *New York Sun*, under the title, "An Odd Bequest." After nebulously "refuting" the Georgeist proposals, the editorial concluded with this strange moral: "Even if the Single Tax were regarded as thoroughly sound by current thought, a will which provides for the indefinite propagation of any given man's set of ideas courts future difficulties . . . Suppose the reforms aimed at are accomplished? . . . Must propaganda in favor of the reform go on and on forever?" Of course this puerile argument could be applied to any work, not excluding the Bible. However, there were many favorable

newspaper editorials on the bequest. The *Brooklyn Eagle* and the *Philadelphia North American* made favorable comment, and asserted that it was a good work.

In 1926 an International Conference was held at Copenhagen, Denmark, sponsored by the International Union for Land Value Taxation and Free Trade. Georgeists from seventeen nations convened. One of the steps taken at this Conference was the sending of a message to the League of Nations for the consideration of the Council and Assembly. Another message was sent by the Union a year later on "The Interdependence of the Economic Causes of War and of Industrial Depression." It was addressed to the International Economic Conference of the League of Nations held at Geneva in May, 1927.

The year 1926 marked the inauguration of another series of Georgeist conferences. The Henry George Foundation of America initiated its annual Henry George Congresses, which have been held every year since then. The first Congress was the year of the Sesquicentennial Celebration of the Declaration of Independence, at Philadelphia. The Georgeists convened at that city, and, seizing upon the occasion, issued "A New Declaration of Economic Independence." Another of the Henry George Foundation's accomplishments was the purchasing of Henry George's birthplace in Philadelphia.

1929 was the fiftieth anniversary of the appearance of "Progress and Poverty." It was celebrated by a Fiftieth Anniversary Edition published by the Schalkenbach Foundation; it is the edition still distributed by the Foundation.

In 1929 also was held another International Conference, this time at Edinburgh, Scotland. Georgeists from twenty-four nations convened and reported activities and progress throughout the world. Engineer D. de Clerq spoke on the reclamation of the Zuider Zee, which was being organized along Georgeist lines. The land was to be leased by the government, and the government had refused to sell the reclaimed land. In Denmark, steady progress in land value taxation was reported, as well as in Australia, New Zealand, and municipalities in many other countries.

While in Great Britain for this Conference, Mrs. Anna George de Mille, daughter of Henry George, stopped at London for an interview with Philip Snowden at 11 Downing Street. She reported the interview in *LAND AND FREEDOM*: "Although he spoke conservatively and couched his statements in diplomatic phrases that made neither promises nor guarantees, I hold the firm conviction that we are going to see our beliefs fought for in the open political fields in England, and that Philip Snowden will be in the frontline trenches, directing the campaign." It was only two years later that the battle for the separate valuation of land and improvements was fought in Parliament, with Snowden leading the battle.

Henry George School of Social Science

During the dark days of the early depression, there was a man with a vision, who decided that now was the time to realize his dream. The man was Oscar H. Geiger—treasurer and editorial associate of *LAND AND FREEDOM*—and the dream was an institution where the philosophy of Henry George might be taught. He consulted Joseph Dana Miller, who enthusiastically endorsed the idea. And so, on January 1, 1932, the Henry George School of Social Science was founded, with Oscar H. Geiger as Director.

At first the School did not appear to be an institution at all—it was just Mr. Geiger lecturing here and there, under the auspices of the Manhattan Single Tax Club and the Robert Schalkenbach Foundation. But the faith of Messrs. Geiger and Miller was that it would grow and become a great and influential institution. The office of *LAND AND FREEDOM* was adopted as headquarters of the School.

The March-April 1932 issue of *LAND AND FREEDOM* carried a feature story of the School and an ardent plea that Georgeists support this new and worthy venture. "At the Henry George Congress in Baltimore," wrote Miller, "Dr. Mark Millikin, who is one of the sponsors of the new movement, suggested the founding of a Henry George University. Here is the beginning that may eventuate in the establishment of such a university."

The School and its educational program was enthusiastically received by Georgeists throughout the country. The financial support, however, was somewhat disappointing, but Mr. Geiger, moved by a deep faith, carried on and struggled to build the School on firm and secure foundations. At great personal sacrifice he devoted almost his entire savings to keep the venture alive, and pure. He was truly a martyr.

The School grew, so that in each succeeding issue of *LAND AND FREEDOM*, more and more progress could be reported. "Mr. Geiger seems determined to make the School a United Movement Effort rather than a one-man institution." "If success is the accomplishment of what one sets out to do, the Henry George School of Social Science can surely be accounted a success." But it must not be thought that Mr. Geiger was so engrossed with the educational program of the School that he had no interest in the larger purpose of the institution. He constantly iterated that the School was "but a means to an end, i.e., the attainment of our reforms."

Through the issues of *LAND AND FREEDOM*, we trace the growth of this School. Step by step it unfolded. A Board of Trustees was organized. It secured a Charter from the New York State Board of Regents. John Dewey consented to be its Honorary President. Within a year it had larger headquarters at 211 West 79th Street, New York City. "An address that is the making of an epoch," Mr. Miller called

it. Classes were held every day, with Mr. Geiger as instructor and "Progress and Poverty" as the text-book. The students, fired with the enthusiasm imparted by their master, formed a Student Alumni Council, headed by Helen D. Denbigh, and conceived of a Henry George Fellowship which was to rally all the followers of Henry George together. "The students have taken hold!" Miller wrote joyfully in *LAND AND FREEDOM*.

Oscar H. Geiger, the Founder and Director, passed away June, 1934. But he lived long enough to see the beginning of an assured growth. "The School must go on!" was the watchword of Oscar Geiger's loyal followers. The Student Alumni Council, the Henry George Fellowship, all rallied together to continue the great educational work. They were the true apostles of the Founder.

The founding of the Henry George School of Social Science was another milestone in the progress of the Henry George movement. It was another step in the clarification of the movement. It was another of the resources the followers of Henry George were creating in order to carry the movement to success. Since Henry George had been unjustly ignored by institutions of learning, a special institution had to be founded devoted to filling what Prof. Harry Gunnison Brown calls "the void in college curricula."

Year by year the Henry George School continued growing. An increasing number of students took its courses, an increasing number of *leaders* were made. Extensions of the School were established in cities and towns all over the country. Its fame spread to other nations. Georgeists in Canada, England, Denmark and Australia emulated the School and its educational program. In Canada, a School of Economic Science was launched. England took the name of Henry George School of Social Science. In Australia it was the New South Wales School of Social Science. In Denmark it was the Okoteknisk Højskole. The Henry George School method also influenced such later Georgeist organizations as We, the Citizens, and the School of Democracy.

The idea of the Henry George Fellowship was enthusiastically taken up by graduates of the Henry George School in various cities. Chapters of the Fellowship were formed, and a Federated Fellowship was established. Joseph Dana Miller saw this as a step toward the goal of a United Movement Effort. He wrote: "Disproving the old theory that the Single Taxers were too individualistic to organize and achieve their common goal, the Federated Chapters of the Henry George Fellowship have demonstrated that Georgeists can and will cooperate."

Today the Henry George School occupies a large 5-story building at 30 East 29th Street, New York City, with Mr. Frank Chodorov as Director. The Robert Schalkenbach Foundation also has its offices in the same structure.

Unto the End

From the heights, as a spiritual leader of the Henry George movement, the aging Joseph Dana Miller continued with undiminished zeal and ability to chronicle the epic of a mighty movement to free mankind. The hands trembled a little, the eyes were somewhat dimmed—but the mind was as clear, the pen as keen as ever. The parade went by . . . The Henry George School was growing. In California, most persistent center of political action, Judge Jackson Ralston was waging a campaign to repeal the sales tax and substitute a land value tax. Overseas, the International Union for Land Value Taxation and Free Trade was spreading its influence despite darkening clouds on the international scene. The old controversies within the movement were again being waged: To organize or not to organize; is interest justified; is political action premature; the School of 1897 versus an improved and modernized science of economics; etc., etc.

And Joseph Dana Miller, venerable sage, was growing more kindly, more tolerant. Around him, the Samuel Johnson of the movement, the Georgeists flocked. They were all his children, all working for the same cause. Let them all have their say. Something good will come out of it.

The November-December 1938 issue was the last number of *LAND AND FREEDOM* edited by Joseph Dana Miller. As long as he was able he appeared every day at the office. After that issue, ebbing health did not permit him to continue. But this, his last issue—did it show any signs of decline, or senility? Let us glance at it:—A powerful editorial on the current trend toward collectivism, and a clarion call to return to Liberty—a clear-headed evaluation of organization and political action, and a plea for unified Georgeist effort—the story of the California campaign by Jackson Ralston—an article by Benjamin W. Burger demonstrating the possibility of collecting the rent of land under existing Federal laws—the program of the newly formed Tax Relief Association, an organization intended to interest business men, by Victor A. Rule—and the news of the Georgeist movement throughout the world.

During Mr. Miller's last illness in the early part of 1939, the business and editing of *LAND AND FREEDOM* was assumed by Charles Jos. Smith, who now conducts the enterprise as Trustee under the last will and testament of the Founder. Mr. Smith enjoys the collaboration of his co-editors, Mr. Jos. Hiram Newman and Mr. Robert Clancy.

On May 8, 1939, Joseph Dana Miller passed away. The May-June 1939 number was devoted to his memory. Tributes poured in from every part of the world. They were followed by a ringing appeal that *LAND AND FREEDOM* should continue the work of the Founder. And it has.

L'Envoi

LAND AND FREEDOM, after Miller's death, continued to be just what it had been in the past—the voice of the Henry George movement. If the world wished to know what was the status of the Georgeist cause, it might turn to the pages of this journal.

With the clouds of world conflict again darkening Georgeists from all over the world convened at New York in 1939 to celebrate the Centenary of Henry George. It was fateful that September 2nd, the hundredth anniversary of the birth of that great economist and social philosopher should witness the outbreak of a cataclysm that he prophesied would engulf our civilization.

With these terrible world events accumulating, *LAND AND FREEDOM* continues to perform its mission, continues the tradition of Joseph Dana Miller. It continues to exhort the people to turn to Liberty while there is yet time. It stands for the philosophy of Henry George in all its power. And it stands for a United Effort on the part of all who embrace the philosophy of freedom to pull together for the great work of leading the Georgeist reform to success—the only salvation for mankind.

. . .

L & F and the Biosophical Institute

WE have been fortunate in making the acquaintance of the Biosophical Institute, an organization devoted to peace and character education. The Institute welcomes all views that tend toward better understanding and more peaceful relations among men. In keeping with such a policy, it has offered its radio facilities to this journal and already we have been on the air twice, over Station WLTH, New York City.

Pleased with our radio presentation of the Georgeist philosophy, Mr. Francis Merchant, Program Director, invited us to give a talk before a group which meets weekly at the headquarters of the Institute. For this occasion, Mr. Robert Clancy and Mr. Charles Jos. Smith engaged in a dialogue before an audience of about 75 persons. The dialogue was based upon "You and America's Future," the pamphlet prepared by Robert Clancy and William W. Newcomb. The audience appeared well pleased with the presentation, showing remarkable intelligence in the type of questions put to the speakers after the dialogue.

We feel that a fine relationship has been established, and we endorse the lofty purposes of the Biosophical Institute. Its headquarters are at the Hotel Dauphin, 67th Street and Broadway, in New York City.

The Land Tax Fight in Oklahoma

By TOM W. CHEEK
President, Oklahoma Farmers' Union

ON November 5, 1940, an important event took place in Oklahoma. The people of the State carried a fight for a Graduated Land Tax to the polls, actually obtaining a majority of more than two to one—and yet the measure was defeated because of undemocratic rule.

The Graduated Land Tax Bill grew out of a very real and urgent need in Oklahoma. The State is rapidly becoming depopulated, and nearly 75% of the land is farmed by tenants, due to the blight of land speculation and land monopoly, as well as unjust taxes. Before a special Committee of the State Congress, I testified that 74,000 people had been forced to emigrate from Oklahoma because of these conditions. In one little town in Caddo County alone, fifty families had been sold out for mortgages or taxes, and had left for California. Giant farm holdings are spreading, and more and more family-sized farms are being pushed out of existence.

This is a very strange set of conditions for this State, because originally the Oklahoma territory was intended to be reserved for home owners. It was intended that speculation be prevented by granting the land to those who would use it solely for homes. But the entering wedge for the speculators was a small unallotted balance in the Indian Territory. By 1903, one-fourth of the land was in the hands of non-producing owners.

This situation did not go unchallenged. As far back as 1905 there was agitation for the Graduated Land Tax as a solution to the growing problem of farm tenancy. In 1908 State Senator Campbell Russell introduced a land tax amendment, and it was passed in both houses—to be defeated in the Courts on a technicality. In 1914 a land tax bill was presented as an initiatory measure, and it actually obtained two-thirds of the votes cast—but was defeated through fraudulent ballot tactics.

Now, more than ever—with three-fourths of the land in the hands of monopolists—Oklahoma needs the graduated land tax. The Oklahoma Farmers' Union realized this and decided to put to the voters of Oklahoma the question: Shall a Graduated Land Tax amendment to the State Constitution be adopted? A determined effort was made to submit the question as an initiatory measure at the general election on November 5, 1940. A petition was circulated (Initiative Petition No. 145) by the Union, and the names of 172,000 voters in favor of the amendment were secured.

The amendment to be decided upon by the voters was as follows:

A BILL ENTITLED AN ACT

Adopting a Constitutional Amendment Authorizing a Graduated Land Tax and Including Vitalizing Provisions to Make the Same Effective; Same to Constitute a New Article of the Constitution, to Be Numbered XII-B and to Read as Follows:

Be it Enacted by the People of the State of Oklahoma:

ARTICLE XII-B

SECTION 1. It is hereby declared to be the policy and the purpose of the people of Oklahoma to encourage home ownership and to discourage excessive land holdings in this State by any person, and to levy and collect on land such graduated or other tax as they may deem best for the public weal.

UNLESS OTHERWISE PROVIDED BY LAW IT IS DECLARED:

(a) Except the real estate of common carriers authorized to be held by them by the Constitution of this State, and except land covered by the first Proviso in Section two (2) of Article twenty-two (XXII) of this Constitution until the expiration of the time stipulated herein, and except land devoted to forestation, reforestation, or to reclamation, and lands operated principally for grazing purposes; the owner, whether legal or equitable, whether person, firm, association, joint stock association, or corporation and whether resident or not of this State, of any land in this State, in excess of six hundred forty (640) acres shall, in addition to other ad valorem taxes, pay upon such excess the following annual tax for the purpose of State Old Age Security, which tax is hereby levied, to wit:

For each one dollar of valuation of such excess acreage, as assessed for taxation ad valorem in the preceding year, the following schedule:

For the first year following the adoption of this amendment—

Five mills where such excess does not exceed 640 acres;

Ten mills on such excess exceeding 640 acres and not exceeding 1,280 acres;

Fifteen mills on such excess exceeding 1,280 acres.

For the next succeeding year, such tax shall be—

Ten mills upon excess not exceeding 640 acres;
 Fifteen mills upon such excess exceeding 640
 acres and not exceeding 1,280 acres;
 Twenty mills upon such excess not exceeding
 1,280 acres.

For the next succeeding year such tax shall
 be—

Fifteen mills upon the first 640 acres of such
 excess;
 Twenty mills upon such excess exceeding 640
 acres and not exceeding 1,280 acres;
 Twenty-five mills upon all excess exceeding
 1,280 acres.

Five mills shall continue thus to be added to each
 succeeding step of such tax for each following year
 until such annual tax rate shall reach 40, 45, and
 50 mills as maxima:

Provided, that land of an assessed value of \$12,-
 000 may, at his option, be exempt to any owner in
 lieu of only the first 640 acres herein provided: And
 Provided further, that where land now owned is
 sold for a home within five years from the adop-
 tion hereof, 98 per cent of all tax theretofore levied
 thereon hereunder shall be refunded to the owner
 paying same.

(b) The time when the tax levied hereunder is
 payable, and when delinquent, and the penalty and
 lien for non-payment shall be as in the case of other
 ad valorem taxes; and the State Tax Commission
 is hereby authorized and directed to collect said
 tax and to make needful rules and regulations and
 prescribed forms for the enforcement thereof and
 to settle all questions that arise hereunder, grant-
 ing to any taxpayer a hearing and the right to offer
 evidence, with an appeal from the final order of the
 Tax Commission to the District Court of the
 county where any portion of the land is situated,
 in the same manner as appeals from the county
 court. The Tax Commission is authorized to retain
 two (2) per cent of all tax collected hereunder as
 recoupment for their expense therein.

(c) The above tax levies shall be considered as
 separate and independent each of all the others and
 in the event any part of this proposition shall be
 held to be invalid, inoperative or ineffectual then
 such invalid, inoperative, or ineffectual part shall
 not affect the other parts hereof.

* * *

A leaflet explaining the amendment as a measure to pre-
 vent land monopoly, and urging support of it was circulat-
 ed among 300,000 voters of Oklahoma prior to the Novem-
 ber election.

Together with the Graduated Land Tax, a Cooperative
 Hospital Bill was also introduced as a similar initiatory
 measure. Both were fought bitterly by the press and
 the privileged class. The State Chamber of Commerce issued
 statements to the effect that all initiatory amendments
 are dangerous, experimental, and not to be considered in
 these critical times. In fact, if it had not been for their
 tactics, the land tax measure would have been introduced
 five years ago.

The controlled press also lashed out against the measure.
 The metropolitan papers are owned by the vested interests,
 who are always opposed to any legislation depriving them
 of their special privileges. It is significant, however, that
 nearly all small independent newspapers were in favor of
 the land tax.

Though we had bitter opposition from the vested inter-
 ests, we won much valuable help. Among the supporters
 of the land tax bill was Judge James I. Phelps, veteran jurist
 and former chief justice of the Oklahoma State Supreme
 Court. Judge Phelps was convinced that the most impor-
 tant question before the citizenship of the state was to stop
 the rapid trend toward land monopoly, and urged the pas-
 sage of the land tax as the solution. Another welcome sup-
 porter was Judge Orel Busby, who believed that every
 farmer should have his own farm, saw the danger in in-
 creasing farm tenancy, and gave the Union his endorsement.

We were also glad to receive the support of Labor. The
 Oklahoma State Federation of Labor, in its 36th annual
 convention at Tulsa, passed unanimously two strong resolu-
 tions endorsing the Farmers' Union Graduated Land Tax
 and Cooperative Hospital petitions. They resolved to "ac-
 tively support the Graduated Land Tax by explaining the
 measure to others, making speeches, distributing literature
 that they might understand the importance of preventing
 land monopoly." Many independent candidates to the Okla-
 homa legislature supported our program; among them was
 Tom McLemore, independent candidate to the U. S. Con-
 gress.

In our own paper, *The Oklahoma Union Farmer*, we con-
 stantly stressed the need for the Graduated Land Tax, and
 in every issue we featured articles on this most important
 question.

On November 5, all voters were handed our two initiative
 Ballots as they entered the polls. The Graduated Land Tax
 measure was State Question No. 215, and the Cooperative
 Hospital Bill was State Question No. 241.

The Graduated Land Tax carried by a total vote of 408,-
 559 as against 196,711 dissenting votes. The Cooperative
 Hospital bill carried by a total vote of 294,346 as against
 212,701 dissenting votes. This victory should inspire every
 citizen in the nation to renewed confidence in democratic
 government, and make clear that the people themselves are

capable of deciding any great question at the ballot box.

The people by their vote decided that they are opposed to land monopoly and that they want the Graduated Land Tax. *But*—as our procedure now stands, *the silent vote was counted against us*. That is, the people who *did not* vote on the question, either for or against, were counted *against us*.

Representative government cannot long endure and tolerate this undemocratic rule. It has no place in a democracy. The people who go to the polls and vote for a measure and the opposition who vote against it should be recorded, and those votes only should determine that measure.

The resentment against landlordism was clearly evidenced on November 5. The use of land for speculation and investment rather than for a farm home has been rejected by the people. The vote for the Graduated Land Tax is a mandate to the present legislature that the constituents in 73 counties are overwhelmingly in favor of the tax.

The Oklahoma Farmers' Union is now going to do the only thing that can be done—that is, to fight for a Constitutional Amendment that will make the initiative and referendum a reality in Oklahoma, so as to insure democratic rule. We are going to get together all the voters of the State, and present a joint resolution directing the Secretary of State to refer to the people of Oklahoma for their approval or rejection a proposed Amendment to Section 3 of Article V of the State Constitution, to safeguard the right of the people to legislate for themselves.

Our program for 1941 includes a plan to organize the voters on the question of democratic rule. Let the controlled press and the vested interests exult for the time being. But the Graduated Land Tax shall be fought for again.

The Critics Criticized

By JACOB SCHWARTZMAN

[This is the second of a series of articles by the same author, dealing with the objections of noted economists to the doctrines of Henry George, and the refutation of such objections. The first in the series, published in the November-December 1940 issue, answered the objections of Prof. F. W. Taussig—Ed.]

IN this article I shall examine the arguments of Prof. Henry Rogers Seager, who in his "Principles of Economics" (Henry Holt & Co.) attacks Henry George with a surprising hostility.

Henry Rogers Seager

[Henry Rogers Seager was born in 1870, and died in 1930, in Kiev, Russia, whither he had gone to study the Soviet philosophy. An extremely conservative economist, he clung tenaciously to his interpretation of the laissez-faire doctrine. He was Professor of Economics at Columbia University from 1905 to 1930. He believed in meliorative activities within the existing economic structure, and was secretary of the Shipbuilding Labor Adjustment Board and

president of the Economic Association. "Principles of Economics" is his most noted work.]

Seager's eight objections follow:

1—Poverty has undoubtedly persisted in spite of progress, but has not increased with it.

2—It is untrue that improvements increase rent. If it were true, the condition of the masses would never improve.

3—Henry George's claims were extravagant and unwarranted.

4—No relation exists between the rent fund and the legitimate needs of government. Two cities of the same size and the same rent fund may spend different amounts for public purposes.

5—No tax is desirable as a single tax.

6—Confiscation of land would be a monstrous piece of injustice. It might be countenanced if any rational ground for it existed, but under the circumstances, it is unqualifiedly condemned. It would "overturn an established institution."

7—Impractical it certainly is, because present landowners paid a purchase price for their land.

8—It is impossible to distinguish the value of improvements from the value of land. (a) If we tax improvements as well as land, we would discourage production. (b) If we tax land only, it would be difficult to determine which is, and which is not, land.

(1)

I think that any person not hostilely inclined would readily admit that as a nation progresses in culture and inventions, poverty increases in the degree to which access to the land is lessened. This country is a good example. One hundred years ago, when America was still in the formative stages, poverty was not a serious problem. Today, the head of our Government admits that one-third of the population is ill-clothed, ill-housed and ill-fed. Today our brilliant leaders are unable to cope with the vast and miserable army of our unemployed, except to find "useful employment" for them in prisons, WPA projects and home relief.

(2)

To deny that improvements increase rent is colossal mendacity. Improvements increase rent in two ways: First, by facilitating production and increasing the amount of wealth, thereby increasing the value of land already used—since all wealth must be produced on and with land; second, by extending production and research, thereby compelling a demand for more land, and thus pushing out the margin of production.

The automobile industry, besides making Detroit the fourth largest city in the United States, has raised rents throughout the country. The development of the automobile, by increasing the number of industries and jobs, by adding to the amount of national wealth, by spurring other

improvements, has not only raised rents throughout the nation, but throughout the entire world. The development of the radio, electricity, telephone, aeroplane, have all added to the national wealth and the increase of rent.

The mass of people demand improvements because they expect them to lighten toil and make living easier. Improvements do tend to have that effect, but the private ownership of land intervenes. By increasing rents inordinately and withholding land from use, that venerable institution throws men out of work and causes competition between men and machines, as well as between men and men.

(3)

No explanation follows the assertion that George's "extreme claims were extravagant and unwarranted." We can therefore answer this only by asserting the contrary. Nothing that tells the truth is extravagant and unwarranted. If anything, George was moderate in both language and anger.

(4)

The objection that there is no relation between the rent fund and the legitimate needs of government because two cities similar in size and rent have different budgets, might be answered with the following illustration:

Suppose Edwards employs Jones and Brown, and pays each twenty dollars a week. Jones spends his twenty dollars during the week, while Brown spends only fifteen, and places five dollars in the bank. Following Seager's argument, Edwards would say to Brown: "I pay Jones twenty dollars a week, and he spends the whole sum; therefore a definite relation exists between his wages and his spending. I pay you twenty dollars too, but you spend only fifteen; therefore there is no such relation between your wages and your budget. I must cut down your salary five dollars." To which Brown should reply: "Regardless of how much I spend, that is no concern of yours. I earn twenty dollars a week, and the money is mine to do with as I please. I choose to save part of it so that, if conditions arise, I will have it for future needs."

Regardless of what a city's budget is, the rent fund was created by the people, it is their rightful earnings, and only they may decide how much and in what manner it is to be spent or saved for a future contingency.

(5)

The objection that no tax is desirable as a single tax is not explained by Seager. Perhaps he feels that it is not fair to discriminate against landowners and compel them to bear the whole burden of taxation, while other taxable values exist. The same objection may be interposed by a traveller who appropriates three-fourths of his fellow-traveller's wealth. He might complain disingenuously that it isn't fair for him to bear all the expenses of the journey when there are two undertaking the trip.

(6)

Having imagined that he has demonstrated that the single tax cannot be countenanced on any rational ground, Seager concludes that the confiscation of land would be a monstrous act. "It would overturn an established institution!" Just imagine the outraged feelings of Captain Kidd if, after all the years of building up his fortune, which required a great deal of labor and throat-slashing, an unfeeling government were to recover all his loot and gently reprimand our hero for his accumulations! Some better argument than that it is an "established institution" will have to be found for the institution of private landownership.

(7)

Seager believes he has found his justification of private ownership of land in the fact that the present owners paid a purchase price for their land. So would some citizen of Kalamazoo wave a certificate of ownership of the Brooklyn Bridge before an impassive judge, which certificate he purchased with hard-earned cash from a passing salesman.

We need not feel too concerned over those who purchased something which cannot belong to any one man—that is, concerned to the extent of allowing the injustice to remain. Under George's system, the purchaser's loss of investment will be more than offset by the new advantages and opportunities that arise.

Let us not fail to observe that the institution of private ownership of land can be traced to conquest and fraud; and that the great bulk of present day landholdings was obtained, not by purchase, but by inheritance and shady dealings.

(8)

(a) I have already answered this question in the previous article. However, answering it as presented by Seager, I will freely grant that if we tax improvements we discourage production. This is exactly the practice that Georgeists oppose. It is ironic that this objection should be presented by an advocate of things-as-they-are, including the present system of taxation which bears upon most of the things of human production.

(b) I have shown in my last article that it is possible and practicable to distinguish between improvements and land. Since this objection will again be encountered in other critics, I shall elaborate upon the question as the occasion arises.

. . .

Index for 1940, Vol. XL

INDEX for Volume XL (January-December, 1940) of LAND AND FREEDOM will be mailed free upon request, when accompanied by a (large) self-addressed stamped envelope, to subscribers who bind their copies as works of reference. The index consists of four pages and has an appropriate "key" for locating titles of articles, names of authors, subjects, etc.

Reconstruction in Great Britain

By DOUGLAS J. J. OWEN

CAPITAL wealth in the countries at war is being destroyed ruthlessly, whilst the land, from which all wealth is produced, remains indestructible by any bombing. [Portion deleted by censor.] The site remains, and can still be bought and sold as negotiable property. Whilst the mutual destruction of wealth goes on, discussion proceeds in Great Britain of plans for post-war reconstruction. The British Press and other forums of opinion are full of hopes of building a better social order on the ruins of the old. The demolition of slums by high explosives is almost welcomed, by some who don't live in them, as providing the opportunity for experiments in town-planning on the devastated areas. Blue prints of our new cities appear faster than the ground can be cleared for their application. The primary fact, so often overlooked, remains, that the private landowner is not dispossessed by the most intense bombing by the enemy. To paraphrase a famous saying: So much will still be owed, in the shape of land rent, by so many land-users, to so few land monopolists.

It will no doubt be matter for boasting, when the war is over, how well our British institutions have stood the strain. Certainly that hoary institution, older than Parliament itself and, so far more powerful, the land-owning interest, seems likely to survive the nation's ordeal, whatever else survives—unless, of course, the work of our Land Values Leagues succeeds and heed is taken of Henry George.

Proposals for betterment—their name is legion—are put forth for every aspect of our national life. In agriculture for example, the need for increased production of food-stuffs is constantly stressed, by authorities who ought to ask why such an obvious necessity should require lecturing about. Price-fixing with the aid of subsidies is advocated by one writer, another, equally expert, says that all the price-fixing in the world can never constitute an enduring land policy; so he advocates a Land Commission to regulate the rotation of crops and to have compulsory powers of purchase of land.

Another advocate of compulsory acquisition of uncultivated land is none other than the Conservative, Lord Winterton. Speaking in the House of Commons on December 4th, he said: "Not enough attention has been directed to the huge area of land in this country which is cultivable—not derelict, but not at present cultivated. Every acre bore corn or produced stock in the Napoleonic wars, and our position today is at least as grave as then." Our English Land Values Leagues have been pointing to those unused acres for years. It looks as though propaganda is having some effect at last. Lord Winterton, however, went on to

press for compulsory purchase as the cure, so he has not learnt his lesson complete.

None of these reforms seems to realize the fact that the mention of subsidies and public purchase of land will excite the expectations of landowners and tend to raise the speculative value of land. Land for farming purposes is already experiencing a boom. *Land & Liberty* gives many instances of the effect of war conditions on the growing of foodstuffs and consequently in the enhancing of land values.

A writer in the *Daily Telegraph*, London, is quoted as saying: "Everything derives from the land, whether it is food, clothes, buildings, drink or transport. But food and clothing come first. The result is that farms which grow crops and beasts, fruit and vegetables, poultry and pigs have steadily appreciated in value since the memorable 3rd of September 1939." The extent of the increase in price is indicated by the same writer's statement: "Knight, Frank and Rutley, a firm who have sold approximately 30,000 acres of land since the war began, tell me that on a broad, general average, prices have appreciated by from 15 to 20 per cent. They are still rising." Yet the experts on grass and crops and livestock ignore this rising obstacle to reconstruction and increased production in their calculations.

In the plans for rebuilding the derelict bombed areas we see the same lack of economic perspective. London areas rendered uninhabitable are still the property of this or that great landowner who will have to be consulted before rebuilding can begin. If as a preliminary step the tax-collector were sent to consult with the owners of new building sites as to the value of their land for taxing purposes, then those who want to reconstruct and make waste places habitable would be able to treat with landowners on a fairer footing. As it is, the absence of any tax on land values leaves the owner of land to exercise his monopoly rights even in the time of the nation's extremity. To cull from *Land & Liberty* (December 1940): The War Office could only acquire land for its needs in Croydon by using its compulsory powers, and the price had to be fixed by arbitration, and was equivalent to £1084 per acre. This land had practically no value when assessed for local taxation purposes. If the War Office could not treat with the owners except with compulsory powers, what chance has the ordinary town council or private builder when they want to erect houses for the homeless public? Had there been a tax on land values, even a moderate tax, the transaction would have been on more equal terms. This is the cornerstone rejected by reconstruction builders who pay no heed to the economics of "Progress and Poverty."

In ill-fated Coventry, the City Architect, Mr. D. E. Gibson has stated that the bombing has given them the chance of rebuilding "a dignified and fitting city center." In a lecture, he said: "Many citizens had despaired of this possibility before the bombing. High land values, among other factors, made it seem impossible. In a night all is changed. People are now asking themselves, Will the land-owners, with their often short-sighted and acquisitive outlook, again be allowed to smash the ideas of our twentieth-century Wrens?"

All this is to the point, but Mr. Gibson shows his own limitations when he comes to the remedy, for he concluded as follows: "For the good of the community private interests must be subordinated to public ones. The only solution for Great Britain now lies in some form of nationalization of all land. This could be achieved in a number of ways, one solution being to convert all free-hold property into leasehold to the State, with a 99 years' lease, which would at least give some control over building".

An ingenious proposal, but why not the simpler method of nationalizing the land-rent fund by progressive taxation of land values? Mr. Gibson may not have heard of Henry George though he shows, like many other public men in Great Britain today, that he cannot help being influenced by Georgeist educational work in the last generation or two in his recognition that the land value question is central to the problem.

A recent striking instance of the good results of the work of our Leagues is found in the Report of the special Committee of the Town Planning Institute. This report does not advocate a tax on land values—we must not expect too much. But it does emphasize the need for a national valuation of all land in the country "by one authority at one time upon uniform principles". This Committee does not recommend the nationalization of all land, but rather its compulsory purchase in urban or rural areas wherever required for purposes of planning. They say: "We are convinced that the chief obstacle of the achievement of positive results by statutory planning is that it is hampered on all sides by a multiplicity and variety of interests". The Committee also envisages a conflict of plans between those who wish to preserve rural amenities and those who want to expand the towns on new lines. The Committee wants to "check extravagant claims for schemes for the redevelopment of built-upon areas".

In commenting in its leader columns on this report the *Manchester Guardian* said: "But in the (bombed) districts streets are owned, perhaps, by a great many people, and more still draw profits from things as they are. All of these will be affected by the change for the better. They have drawn incomes from what has been condemned, and not only will they want to be compensated for their loss but will seek to share in any rise in the value of their property

through the planning authority's improvements". The *Guardian* endorses the proposal for an "unprejudiced valuation", and in this the workers in the Henry George movement may see signs of progress in public opinion. Our town-planners and reformers are "not far from the kingdom". To change the metaphor they are getting so near to the only solution that "if it were a dog it would bite them".

Town Planners have only themselves to blame if they find that the legislation they have sponsored is inadequate, and that they are compelled to join in the demand for land valuation. They were indifferent to, and in fact, many of their leaders actively opposed, the Snowden Land Value Finance Act of 1931. The Town Planning Acts, with their much lauded "betterment principle", which was their answer to land value taxation, they now find not merely inadequate but actually mischievous, for the basis of assessment for compensation takes no account of land value as such, does not separate land value from improvements, and exempts any land, however valuable, if it is vacant. The increase in land values resulting from town planning schemes was not to be taken for the community which financed the schemes, but to be handed over to other landowners whose land values were decreased by town planning. This decrease is not, of course, a "loss" to landowners in the strict sense, but only a reduction in the gains accruing to them by the presence and expenditure of the community. But they were to be insured against this out of increased land values which Town Planners prevented from returning to the community which created them. Now, nine years after, these well-meaning people* find they cannot get on with their plans without the valuation which they could have had in 1931 but for their own obstructionist tactics. It is still necessary to ask them if the valuation they want is to ascertain the true market value of the land apart from improvements. If not, their valuation will again be useless to them.

One more illustration of the trend of reconstruction thought may be given. Prof. C. H. Reilly, the great authority, describes the planners' task thus: "This general program must determine the planning of industry throughout the country: which towns should be allowed to grow, which should be curtailed by the removal of its factories, where the new towns are to be placed, which new coal-fields should be developed, which sources of water power, where land is to be reserved for national parks, where forests should be extended, where reduced. . . to decide the fate of that particular town, whether it should be allowed to hold a greater or less population".

*To whom Mr. Harold S. Battenheim (editor of *The American City*) made his eloquent and powerful appeal at the Conference of the International Union for Land Value Taxation and Free Trade in London, in 1936.

We may leave the well-meaning town-planners to settle with the country-planners, merely recommending to both a study of the law of economic rent and its application under conditions of freedom from land monopoly. One gem shines forth from Prof. Reilly's plan. He says: "Clearly speculation in land and building will have to be stopped". He does not say how this is to be done, leaving it no doubt to the economists. American readers may be sure that British land valuers will make the fullest use of this growing receptiveness of the public mind for the Georgean message, which is in itself a result of persistent advocacy over many years.

The Town Planning Committee, like other reform groups, recommends the expenditure of public money in payment to landowners for permission to reconstruct a devastated Britain. Not only do they thus create obstacles to their own schemes by causing inflated hopes and inflated values; they also bring discredit on all reconstruction efforts which begin by taking further large sums from the already overburdened taxpayers. Let the landowners begin to restore to the community the values created by the community which are registered in land-values and we shall then have the essential ground plan for all reconstruction.

It was not a Georgeist, but the Financial Editor of the *Manchester Guardian* who wrote: "Far more poverty and hardship could easily be caused by false economic policies after the war than by the war itself". A bold thing to say, and only those who know their Henry George can judge how true it is that, awful as are the afflictions of war, they do not surpass the social miseries and tragedies caused, generation after generation, by the perpetuation of the private monopoly of land. Britain may yet lead the way in lifting this entail of suffering.

Canada's Wartime Economy

By HERBERT T. OWENS

WHEN Canada entered the war, the government declared for a pay-as-you-go policy as far as possible, with the result that federal taxation is much higher than formerly. The average man feels it particularly in the National Defense tax on wages. Single persons earning from \$600 to \$1200 per year pay 2%, and 3% over \$1200. A married person is exempt up to \$1200, but pays 2% if the income exceeds \$1200 per annum, with an allowance of \$8 for each dependent child. The regular income tax has been extended to take in still lower paid groups. For example, before the war, incomes under \$2000 a year for married men were exempt, but the lowest limit now is \$1500. On single incomes, the exemption has been lowered from \$1000 to \$750. Some articles which had formerly been exempt from Federal sales tax were made liable to this tax. Despite all the extra taxes, however, resort has had to be

made to loans, and several large loans have been over-subscribed.

Strenuous efforts are being made to bring into effect a better economic order in Western Canada. It is recognized now that soil was devoted to wheat growing which should never have been so used. Under government auspices, crested wheat grass, originally imported from Russia, is being sown on a large scale. Its deep roots hold the soil and prevent drifting. Settlers are being removed from submarginal lands to better land farther north in Saskatchewan, and nearly 2,000,000 acres have been returned to state ownership in the Prairie Farm Rehabilitation Scheme, and these tracts are being used for grazing purposes. Users pay a rental per head of cattle grazed. Extensive irrigation projects are a part of this huge reclamation scheme.

A number of controls have been put into effect as war measures. A new experience for Canadians is foreign exchange control. Canada's purchases from the United States for war purposes are so huge that the balance of trade has run the Canadian dollar down to a value of 89c in American currency. In other words, we have to provide \$1.10 Canadian money to pay for every American dollar's worth that we buy. Trade for other than war munitions and such things as citrus fruits is discouraged. Only Canadians travelling on official business can get funds wherewith to travel in the United States.

Another feature of wartime economy is rent control. The sudden influx of workers into centers like Ottawa, Halifax, Parry Sound, Vancouver, etc., caused rents to skyrocket, and rent profiteering was rampant. This situation was met by the appointment of a Rent Controller, and the pegging of rents as of January 1940. Rental courts have been sitting in numerous centers and their proceedings have enlivened the pages of the newspapers. In Ottawa, at every sitting of the rentals court, landlords and tenants each have a representative on the tribunal, the third member being a judge. It would appear that these courts are not sticking to the letter of the regulation—the decisions seem to be establishing a fair rental—although in the main there is a close adherence to the spirit of the control. The government's announcement of rent control aroused the ire of the Property Owners' Associations, the president of one of the leading groups denouncing the move as "totalitarian control over the destinies of the land-owning people of Canada." The same individual asserted that he didn't believe in any government body trying to exploit the landlord. That runs true to caste.

THE FEUDAL SYSTEM ABOLISHED IN QUEBEC

Once more a Canadian government has shown kindness of the hard cash variety to landlords, such as the British government has shown to the owners of coal mines. By a payment of \$3,200,000 to some 245 seigniories by the government of the Province of Quebec, 60,000 French Canadian

farmers are freed hereafter from the obligation to pay rent to the descendants of the seigneurs who received immense grants of land during the French regime in Canada. The savings to the habitants* will be some \$180,000 a year.

The Quebec Legislature decided on this step at its last session, and so ended a matter which has been contentious for over a century. When the French came to Canada they transplanted the feudal system to New France. Most of the lands bordering the St. Lawrence were granted to seigneurs on condition that they perform military service, bring in settlers, and pay a "quint" to the Crown when the seignieury changed hands. The settlers paid a small rental (*cens et rentes*), payable in cash or kind; they had to work for the seigneur about three days a year; and to pay a sum (*lods et ventes*) when the seignieury changed owners.

There was not much objection to the seigniorial system until the United Empire Loyalists flocked into Canada from the United States after the Revolutionary War. The British authorities then in control gave the newcomers land grants in free socage, with no rent to pay, and the French habitants felt that they were being rooked in comparison. The coming of the Loyalists also raised seigniorial land values. Resentment simmered as the system began to pinch. An Act of 1825 gave tenants the privilege of commuting tenures where there was mutual agreement as to terms. However, not much change resulted, and one of the causes of the 1837 rebellion was grievances over landownership.

The habitant could also be levied on, be it noted, for tithes by the Church, a right which was freely exercised. In 1854, the Seigniorial Tenures Abolition Act was passed, freeing the habitants from all their obligations except a fixed rent (*rente constituée*), and they could get possession of their land by commuting the rentals in a lump sum payment at 6 per cent. However, very few of the habitants took advantage of the commutation privilege, with the result that the government of Premier Godbout recently brought in the legislation under which the Province of Quebec comes to the rescue of the cultivators and buys out the rights of the seigniorial system at an average figure of \$13,060. Georgeists could have shown a better way.

THE ROWELL-SIROIS COMMISSION

Possibly the most momentous matter now before the Canadian people is contained in the recommendations of the Royal Commission on Dominion-Provincial Relations, called for short by the names of its Chairmen—the Rowell-Sirois Commission. The federal government convened a conference of federal and provincial ministers to deal with them, and sittings began in Ottawa on January 14th. In convening the conference, the Prime Minister, Mr. Mackenzie King, intimated that his government thought highly of the recommendations of the Commission.

There is one recommendation made by the Commission which has serious economic implications, and that is the following: "The Dominion, while retaining its unlimited taxing powers, would recognize an obligation to respect the remaining revenue sources of the provinces." The adoption of the foregoing means that the federal authority would make a gentleman's agreement with the provinces whereby it will refrain from levying a federal tax on land values. This would be a needless inhibition. The Dominion should not bind its future. Both our sister Dominions of New Zealand and Australia now include a national land tax in their budgets. Also, had the budget proposals of David Lloyd George and Phillip Snowden gone into effect, Great Britain today would have been financing, in part at least, on a national land value tax. The Sirois Commission's proposal quoted above is a serious defect in its work, and shows lack of familiarity both with basic taxation principles and with what other parts of the British Commonwealth are doing.

Coming to provincial sources of revenue, the Commission apparently sees no economic objection in continuing to tax gasoline gallonage, looking upon this as a natural and normal source of income, and anticipates that it will yield more and more as years go by and highways are improved. It does not recognize or advocate that the abutting land values on provincial highways should be taxed instead of the users of gasoline; and by its silence on that point tacitly assumes that the private appropriation of publicly produced values is in the natural order.

In dealing with municipal sources of revenue, the Commission finds that "real estate" is taxed too highly, and recommends that the burden on property owners be lightened—but not by taking taxes off improvements, a practice of which the Commission never seems to have heard. The report even ignores the practice in Western Canada of exempting improvements in whole or in part. The silence of the Commission on this point reveals either its ignorance or its bias. The orgies of land speculation are ignored in the historical survey, except in the following matter-of-fact footnote: "Defaults by derelict towns resulting from miscalculation as to the economic future have, of course, occurred in many regions throughout Canadian history." Booms, depression and unemployment are regarded as part of the scheme of things. Unemployment is visualized by the Commission as a "permanent factor," to be mitigated as far as possible by unemployment insurance, which has just gone into effect in Canada; also by construction of public works and other more or less makeshift provisions.

In pointing out the evils of our taxation system, the Commission has done a fairly good piece of work; but its recommendations do not touch upon, and will not solve, the economic ills from which the Dominion suffers. The task remains for Georgeists to point out the importance of their reform.

**Habitants* is the name given to the cultivators or farmers who are descendants of the French regime.

France Returns to the Soil

By PAVLOS GIANNELIA

MARSHAL Petain has said: "The only wealth you possess is your labor . . . France will become again what she should never have ceased to be—an essentially agricultural nation. Like the giant of mythology, she will recover all her strength by contact with the soil."

To realize this return to the soil, we meet again the demagogical measures which—because of their appearance of justice and patriotism—have been tried in every country where the leaders have aimed to substitute "governmental direction for the play of individual action, and the attempt to secure by restriction what can better be secured by freedom" (*Progress and Poverty*). Why should these measures, which have failed everywhere else to bring practical results, have more chance of realization in France?

Here are some of the regulations that have been imposed since the proclamation of the new Constitution: The price of wheat is fixed (100 kilograms, 214 francs). The hiring of foreign manual labor is limited. Gangs of young people are being organized to work on farms. Industrial establishments must dismiss workers formerly employed in agriculture, in order that they may be returned to the farms.

In addition to the numerous regulations (there are 700 decrees!) a vast program of public works has been undertaken totalling \$350 millions (18,000 million francs). The program includes draining and irrigation projects, construction of railroads, telegraph and telephone lines, 2500 bridges, the setting up of electric power stations and the electrification of the lines Paris-Lyon, Brive-Montauban and Bordeaux-Nîmes.

Besides these official decrees, there are many unofficial proposals in the severely censored press. The following, in *Le Progres de l'Allier*, is typical: "There should be no difficulty in providing dwellings. A law, declaring every house deserted for more than five years and every field deserted for more than three years, to be common property and assigned to a new proprietor, would take care of the situation and would not be objectionable." *Paris Soir* has this to offer: "For the clearing of seven million hectares (17½ million acres)—twice the area of the Netherlands—ploughs and man-power are not always enough. A great many fields are arid, and workers should not desert the rich fields to take care of the poor ones. The sheep would make an efficient and gratuitous agricultural worker. After the flock has enriched the soil, the plough can turn it and the sower fertilize it. One shepherd and 500 sheep can do more for the clearing of the soil than ten ploughmen and a trainload of chemicals!"

We could continue to enumerate all the decrees and proposals; but enough has been given to show the spirit that prevails. All these measures are well-intentioned and derive

from the urgent necessity of contending with work stoppage and poverty. A glance at the facts will show the urgency of present conditions. France, which is considered a rich and fertile land, is suffering in a high degree from general depopulation, the density being 200 inhabitants to the square mile. Her neighbors have a much greater density per square mile—360 in Italy, 600 in the Netherlands, 660 in Belgium, and 1130 in Western Germany. Especially serious is the desertion of the rural districts, as illustrated by the following: A village in the fertile plain of Forez had, in 1896, 326 houses and 1250 inhabitants; today it has only 210 houses and 710 inhabitants, the number of cultivators falling from 190 to 136. No wonder the traveller meets everywhere deserted houses and fallow bramble-covered fields! No wonder there are three million square miles to clear!

The facts are undeniable. And the necessity to contend with poverty is also undeniable. But are the proposed measures really adequate? Has there been any attempt to elucidate the causes of France's present woes? Let us point out the objectionable features of some of the decrees and proposals.

When the State fixes the price of wheat, who is paying the difference between the fixed price and the world-market price? How can the taxpayer, charged with this excess over the world-market price, benefit financially?

When an employer hires a foreign worker, it is either because that worker is cheaper than native labor, or because he possesses knowledge and capacities unknown to the native. In either case, the restriction now imposed upon foreign labor brings a rise in the price of commodities, and an extra burden on the consumer. The same is true of the disbanding of industrial workers and their reemployment in former occupations. If the employer needed them, he would hire them without official enforcement. If his business does not need these workers, then the obligation to employ them is a palliative, which will probably result in the bankrupting of many enterprises.

As for the deserted houses and fields—what is the probability that the newcomer will succeed on the soil where the last occupant failed? And certainly the supporter of the sheep proposal is quite right when he says that the rich fields should not be neglected in order to work on the poor fields. (As for this sheep proposal, incidentally—just between us—neither 500 sheep nor one sheep are gratuitous in France!)

I have only suggested the flaws in the present measures. The chief objection is that none of them goes to the root of the difficulty. Before any reform can be attempted, the causes must be examined. There are Georgeists who assert that speculation and the speculative withdrawal of land is

the sole cause of all the evils. As I see it, the burdensome taxes that are now imposed are also causing much of the difficulty.

The land prices alone cannot be responsible for the idleness of the land. The price of agricultural land inside the margin of production averages 3000 francs per hectare (\$30 per acre). Such prices are not so much a hindrance as are the unjust tax burdens imposed on the use of land. The taxes increase relatively in *inverse proportion*, to the income—that is, increasing as the income decreases, thus falling much more heavily on the poor than on the rich. There is a tax of 5% on the under-assessed value of agricultural land, but the salutary effects of this are greatly offset by the huge burden of indirect taxes.

Every French estate today is a living illustration of the discouraging effects of the present taxation methods on production, as emphasized by Henry George: "The manner in which equal amounts of taxation may be imposed may very differently affect the production of wealth . . . Taxation which falls upon labor as it is exerted, wealth as it is used as capital, land as it is cultivated, will manifestly tend to discourage production . . . The present method of taxation operates upon exchange like artificial deserts and mountains. It operates upon energy, and industry, and skill, and thrift, like a fine upon those qualities." Causes other than land speculation led Henry George to formulate his remedy for poverty in the following words: "Abolish all taxation save that upon land values."

There are official decrees in France today that graze the truth. For instance, in October 1940, the government abolished the custom duties on horses, cattle, poultry, meat, dairy products, grain, and many vegetables. In November, the following was decreed: "Inheritances up to half a million francs are totally exempted from taxation, when there are more than two minor children to inherit."

I ask: When the Minister of Finances has acknowledged that custom duties are a handicap to the welfare of the people, why not suppress all the other duties, which have the same effect? If the propriety of abolishing taxes on small inheritances is seen, why not also look to the other taxes, especially the indirect taxes?

In 1940, forty-two million consumers paid 43,800 million francs in indirect taxes, as compared with the 1937 figures of 37,100 millions. The four and a half million taxpayers paid 14,000 millions in direct taxes in 1940, as compared with the 1937 figure of 37,100 millions. Is the increase of 244% in the direct taxes, as compared with the increase of only 18% in the indirect taxes, an indication that the bad effect of indirect taxation has at last been recognized?

One thing is certain: A change for the better cannot be expected unless the government imposes a tax on land value, restoring the real land value, and gradually abolishing all other taxes.

Is It Twilight or Dawn?

By J. L. BJORNER

(From *Grundskyld*, October 1940. Translated by Grace Isabel Colbron.)

FOR those who enjoy their pessimism and embrace their worries, the time we are now living in is a rather good time, and no one should prevent them from being as worried as possible—provided they keep their pessimism for themselves and do not force it on their fellow-mortals. But for folks with a more wholesome point of view, it is good to look our times right in the eyes, to weigh advantage and disadvantage, and try to find some little profit in the accounting.

One thing can be looked on as gain, and that is that we are living in a very interesting epoch—an epoch that can teach us much.

Most people can now see what many Georgeists prophesied—that the Versailles Treaty was a bad mistake. The new boundaries drawn up in Versailles may in some cases have been better than the old ones in that they paid more heed to language and ethnographical boundaries, and the League of Nations was a step in the right direction. But the demand of the Entente Powers (especially France), that the more than two thousand miles of new borders should be *tariff* borders, tore the Versailles Peace in tatters. Tariff is war—and war always results from it. This was one of the causes why Germany, for instance, and also England, were cheated in the disarmament issue; but it was the tariff which the munitions industry knew how to play as their trump card. That is how we can best summarize the position of today. And what now?

The war in Western Europe may be looked upon as over, for the moment. But can it not extend itself still further towards the West? Most certainly. There is space enough for a Thirty-Years' War for the sovereignty of the Atlantic Ocean, and still further—but that is probably too big a mouthful for the war industries. And the people themselves may become weary of the war. The strongest probability is that the war will cease in a relatively near future. And then we'll have "peace"! Nothing more?

"Peace is not the best thing one could wish for." We should not struggle merely to keep peace. There's peace in the churchyard, the peace of the grave. Life cannot be supported on peace alone. The opposite of war is not merely peace, but co-operation, just as helping one another is the opposite to killing one other. Not just peace, but free trade, is the true opposite of war. Down with the barriers, then—which means, down with the tariff!

What are the chances?

After France's collapse the government of Marshal Petain sent out the word: "France's recovery will come

through a new economic system in commerce and agriculture, and industry shall learn to keep itself up by the quality of its production." In other words; away with Protection . . . institute free economy!

And Germany? Alfred Rosenberg, on July 10th, called together the foreign press to give them a glimpse of Germany's future economic policy. Rosenberg pictured a Europe of independent States but without customs frontiers! And as there was some doubt later as to what he really had said, two important dailies, the *Berliner Boersenzeitung* on July 13th, and the *Volksischer Beobachter* on July 16th, carried long commentaries on Rosenberg's speech and ended with the following words, dealing especially with the North; "Germany does not intend to pull down the Northern States, whose rich cultural wealth and historical tradition are perhaps nowhere in the world better known than in Germany. Living and working together, that is Germany's aim, not destruction of historical values."

But—how much understanding has modern Germany about free trade? That is another question. Opinions differ in Germany, differ widely. Recently, Germany's plans for a future political ordering of German agriculture were announced. The Government seems to see clearly regarding the danger of the constant capitalization of ground rents and its attendant increase of price and consequent indebtedness of land property. But instead of meeting this problem with an effective land valuation tax, they are merely instituting any number of new regulations, old regulations and the like—regulations that are the opposite of free trade.

But that is Germany's concern. But they must let the rest of us practise free trade.

It is high time that we gather our forces for a forward push. We had all the necessary conditions for making Denmark Europe's free port—to our own advantage and as an instructive example to other countries. But we did not do it. Much might have looked better for us, but the majority willed it otherwise. Now, we've got our "cold shower." Let us hope that it will teach us to open our eyes and come together for a new strong policy.

What Lloyd George said in the House of Commons last May was quite true—that England and France had only themselves to thank for Hitler's hard hand over them. And we can say that we have only ourselves to thank for much in our public policies.

Much has happened this year which may portend a new healthy popular uprising. We have seen the five democratic parties (in Denmark) unite in a concerted opposition to reaction. We have seen employers and workers unite to avoid future wages disputes. That is an important step! And many things point to a new awakening of national life. There were the 740,000 people who met on September 1st to sing the Grundtvig song. That could not

have happened a year ago! And the feeling of fellowship that lay over the dedication of the Grundtvig Church on September 8th—Grundtvig's Church—the great work of a faithful disciple of Henry George, Architect Jensen Klint . . . a landmark to the talent of our day. And on the latest occasion, September 26th, our King's 70th birthday, the wave of homage and fidelity that rolled out toward the King had an objective higher than the King's person. It was the cry of a people to Heaven, the cry of a strongly felt national unity. "We are Danes—and we will always be Danes."

Will the Denmark of Valdemar's day—the Denmark of free trade and of the great land reformers—blossom again in a new national Spring towards the aim of The Earth for the People?

Does our day mean Twilight or Dawn?

It is Dawn!

Announcement

We are informed by Mr. Arthur Madsen, editor of *Land & Liberty*, of the British Postmaster-General's announcement that letter and parcel mails containing correspondence and parcels posted in the United States of America approximately between October 17th and 22nd, November 4th and 14th, and November 18th and December 6th, have been lost through enemy action. The mails included some correspondence from Central America posted on correspondingly earlier periods.

If any friends have written to the United Committee or the International Union, or *Land & Liberty* at 34 Knight-rider Street, London, E. C. 4, and have not had expected replies, they should communicate again.

Land & Liberty is published regularly, month by month, and any of its readers missing any copy should write at once to *Land & Liberty*.

Legislative Framework

Readers will note in this issue a special supplement (Section 2), "A Legislative Framework for the Philosophy of Henry George." This work is the result of long and careful research, and we would earnestly suggest its study by our readers. It would be highly desirable to convey the plan to others, particularly to legislators and governmental officers. If any further information is desired, communicate with the American Association for Scientific Taxation, care of LAND AND FREEDOM.

A FREE COPY of LAND AND FREEDOM is an invitation to become a subscriber.

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

We were pleased with the good reception given our 1941 calendar. Almost everyone liked it and stories of its effectiveness are still coming in. One friend reported the other day that a minister to whom she gave a calendar chose one of its quotations as the text of his Sunday sermon. Another person came in to purchase one after seeing it hanging in the executive office of a well-known organization. A prominent New Jersey manufacturer liked it so well that he purchased a quantity and sent them out to customers and business associates. Thus, a little over a thousand calendars have been distributed. We still have a few left and shall be glad of any help we can get in putting these into circulation.

Four hundred and fifty books went out as a result of our campaign to have Henry George's books given as Christmas presents. This is work in which all Georgeists can participate to some degree, and we have ample testimony as to its effectiveness. To cite one of the innumerable cases: The other day an order came for a full set of books from a man who had been given a Henry George book in 1939. He said, in an accompanying letter, "I intend to make a full study of the interesting philosophy to which my friend so kindly introduced me."

We also want to thank the scores of friends who remembered the Foundation with greeting cards and letters this Christmas season. From far and near these greetings came, some from Australia, some from embattled London, and one from South Africa.

You will be interested to know that just this week we received a long letter from Mr. Arthur Madsen of the Henry George Foundation of Great Britain. Mr. Madsen tells us that the Foundation is carrying on as usual, with all members of the staff on the job every day. He and Mrs. Madsen have gone to Scotland for a few months so that he may complete some important work without interruption.

Last autumn we experimented with a new piece of advertising literature designed to help our bookdealers sell "Progress and Poverty." The cover of this attractive booklet asks the provocative question, "How High is Your E. I. Q?" ("Economics Intelligence Quotient," in case you have not guessed it.) Taking its cue from the popular quiz programs which come to us nightly over the air, our booklet challenges the reader with ten questions on economics starting with, "Where do wages come from," and leading up to

the more controversial question, "Can combinations of workmen increase the general level of wages?" The answers to these questions are also given in the booklet so that the reader may test his knowledge and then grade his own intelligence regarding economics. The intention is that he will thus become so interested in Henry George's point of view that he will hurry back to the store to buy the book. Each bookdealer who agrees to let the booklet work for him is sent a supply with his name and address printed inside. Several repeat orders received in the last two weeks encourage us to believe that the booklet is accomplishing its purpose. If you would like to see this booklet, send us a penny post-card and we will put one in the mail for you.

Princeton University placed an order this week for a quantity of "Progress and Poverty," which is required reading in their economics course. As one of the faculty once told us, "A man hasn't much chance of graduating from Princeton without knowing something about Henry George." It is also interesting to recall that the death mask of Henry George, cast in bronze, rests in Princeton's famous collection of death masks of the World's Great. This mask was unveiled by Mrs. de Mille in impressive ceremonies a few years ago.

Considerable interest has been manifested in Franz Oppenheimer's famous book, "The State," but it was only recently that we discovered that a few hundred copies of this classic are still available. The organic history of the State has been rendered dull by most learned accounts of it and, in sharp contrast, Dr. Oppenheimer's story is fascinating reading from start to finish. Many printings of this book have been made in this country, for its important information, written in easily readable style, has made it highly acceptable to American readers. The edition we have access to is 75c a copy, bound in cloth.

Much of our time is being devoted to the normal schools throughout the country. Our test campaign, conducted last autumn, revealed this group as more responsive than the average list. The value of reaching these budding teachers cannot be exaggerated, for if they can be made to comprehend the importance of Henry George in the fields of economics and philosophy, that influence may eventually be demonstrated in the classrooms of our public and high schools.

Henry George School of Social Science HEADQUARTERS

Commencement exercises for the 700 Fall term graduates were held at the Engineers Auditorium, January 13.

In addition to student speakers, and an address by Mr. Frank Chodorov, Director, the program included these novel features: A quiz contest on "Georgiana"; a skit, "Baby Snooks and the Law of Rent," written by Edwin Ross, and enacted by Mr. Ross and Miss Dorothy Sara; a demonstration of a unique mechanical contrivance elucidating the Law of Rent, invented and built by Mr. Emanuel Ebner; and a sale of Henry George School pins, introduced by an auction of the first pin, with Mr. Arthur Landry as auctioneer. About 750 attended this occasion. Mr. Otto K. Dorn was chairman.

The new semester opened the week of January 27, with a total enrollment, to date, of 1600. Of these, 1100 are taking the basic course in Fundamental Economics, including 100 high school students, and 500 have enrolled for the various advanced courses. The Leaflet Distribution Committee is in no small degree responsible for this figure. The basic course has been changed from a ten-week to a fifteen-week course. On this new schedule, "Protection or Free Trade" will consume the latter five weeks, the first ten weeks being taken up with "Progress and Poverty," as before.

Two important lecture courses have been added to the curriculum. One is on the "Principles of Assessing," a series of seven weekly lectures which began Tuesday, January 14. This series is conducted by Mr. John St. George of the New York City Tax Department. The course provides a much-needed familiarity with the fiscal fundamentals of taxation, with special reference to the system and methods employed by the New York City Department of Taxes. This course has been well attended. The second lecture course is on "The Influence of Henry George on Economics," a series of five weekly lectures beginning January 31, and conducted by Mr. Morris Forkosch.

The Fall term elective advanced courses have drawn to a close, with Mr. Michael Bernstein's course on "Democracy versus Socialism" taking the lead in popularity. In this course, Mr. Bernstein uses Max Hirsch's celebrated book which gives the course its name. Other courses are: Social Philosophy, based upon Dr. George R. Geiger's "The Philosophy of Henry George"; Public Speaking; Basic Principles of Composition; Formal Logic. Robert Clancy has completed a ten-week course on the Life and Teachings of Oscar H. Geiger, the Founder and first Director of the Henry George School of Social Science. In this course, the background of the School is discussed. Geiger's philosophy of life is also studied. His philosophy, while based upon Henry George, also presents many original features, such as his views on Natural Law, the Unity of Creation, and Individual Ethics.

CHICAGO, ILL.

The largest Winter term in the history of the Chicago Henry George School opened the week of January 13 with 33 classes in "Progress and Poverty," and 16 advanced classes. The total enrollment was nearly 500. In addition, over 300 inquiries concerning the correspondence course were received. The campaign for students was marked by the distribution of 40,000 announcements, 2000 posters, and news releases which appeared in 60 metropolitan and neighborhood or suburban papers. Forty teachers are manning the new classes, seven doing double duty, and one triple duty.

In other ways the Chicago School is progressing. A library has been started, augmented by a donation of many Georgeist books and a bust of Henry George. The Chicago Speakers Bureau, well past the "wing-testing" stage, is increasing its engagements. "America's Forgotten Line of Defense" is proving a talk of particularly popular appeal. Mr. Francis Neilson is sponsoring a letter contest open to recent graduates of the Chicago School.

And so the Windy City moves apace.

The School of Democracy

Mr. Harry J. Haase, who is engaged in a Georgeist educational program in the School of Democracy, has submitted a four-point proposal for a Georgeist course of action, which he calls "A Four-Year Plan". The plan follows:

1—That we spend the next three years educating—utilizing all our resources to imbue every person we can reach with the philosophy of freedom.

2—That, having obtained an individual's acceptance of the Georgeist philosophy of freedom, we see to it that no individual drops out of the struggle of "freedom through enlightenment."

3—That we hold a convention at the end of the third year of this program, and adopt a platform of freedom to be submitted to every candidate for a major state or national office (all parties).

4—That we follow up each and every one of these candidates, and demand that he take a stand on our platform—for or against.

Suggestion No. 1 is offered to all schools, organizations and groups teaching the collection of economic rent as the remedy for society's ills, regardless of method, text or teacher. It is also intended for those who educate through lectures, publications, radio talks, or any other method.

Point No. 2 means that some method of utilizing the energy of everyone who accepts the philosophy of freedom should be found. The "method" should be broad enough to take consideration of every individual. There should be provision for those who want to teach formally in the classroom; for those who want to carry the message "outside";

for those who want to organize. In short, we should attempt to use everybody's talents in a way most satisfactory to the individual.

On point No. 3—All who have been active in the work of spreading knowledge of the true basis of freedom ought to submit suggestions for the platform. The convention might be held at the time of the Annual Henry George Congress, and take up an additional session.

The fourth step can be taken whenever and wherever candidates speak in public. It can be done by personal calls, through the mails, or in the columns of the press.

Instead of forming a third party and trying to fight the strong political machines, the above program will enable us to utilize the strong parties to accomplish our purpose. It will make it possible for the people to demand of the politicians what they want, instead of supinely accepting a choice between party-made variations of our present unsound system. It will make it possible for the people to have a *real* choice at the polls for the first time in our national history.

The author of the above program would be interested in receiving comments on his ideas. Address Harry J. Haase, the School of Democracy, 1165 Broadway, New York, N.Y.

American Alliance to Advance Freedom

A group of Georgeists have been meeting during the past few weeks for the purpose of launching an organization that will bring Henry George's proposals to the forefront "in the councils of world affairs." Calling itself the American Alliance to Advance Freedom (with the subtitle, "By Promoting the Principle of Natural Economic Rights"), this organization plans to issue pamphlets, conduct current events forums, and engage in related activities. The following aims have been formulated: 1—To awaken interest among non-Georgeists in the Georgeist doctrines, so that many whose curiosity is thus aroused will seek formal instruction. 2—To crystallize Georgeism in terms of specific goals in order to offer concrete objectives for men and women seeking a way out of the present social and economic crisis. 3—To bring the issue of Georgeism before legislative bodies throughout the country in order that the principles of equal right to the use of land and free trade will be adopted as the basis for making the coming peace a permanent and a just one.

The Chairman of the Alliance is Sidney J. Abelson, the Secretary is Elbert Josefson, and the Financial Secretary, Sara Wald. The Provisional Committee consists of Lloyd Buchman, Miles Shefferman, Roberty Clancy, Gilbert M. Tucker, Erna L. Nash, and Malcolm R. White.

The Alliance is issuing a "Proposal for Georgeist Action Now," to be submitted to followers of Henry George. Herewith are selected passages:

"What stands out in the life of Henry George, in his life as an author and his life as an active man of affairs, is his belief in immediate social reform and his faith that vigorous, zealous action could make that reform a reality.

"We side with Henry George in his belief and in this vision.

"The cry for bread and peace issues from the throats of nearly two billion human beings. Who can answer this call?

"So-called 'capitalism' (a misnomer for our monopoly system), Socialism, Communism, Nazism, Fascism, each in turn had its day and failed. There is no answer to be found in any of these.

"With each passing day the cry becomes deeper and more desperate. The organism we call society does not and cannot stand still.

"We believe that the doctrines of Henry George answer this call for a new way of life that will bring peace and prosperity through justice. We believe that the two billion human beings now inhabiting this planet, however indifferent they might have been to us before the various "isms" were tried and found wanting, are now hungry for the very doctrines we have to offer, and that they will listen to us if we speak up.

"We believe that our time, the time of a Georgeist emergence into the councils of world affairs, is at hand."

The Alliance has also issued a "Declaration of Principles." The complete Proposal, the Declaration, application for membership, or any other information, may be obtained by writing to the American Alliance to Advance Freedom, 22 West 48th Street, Suite 505, New York, N. Y.

Women's Single Tax Club of Washington

REPORT OF GERTRUDE E. MACKENZIE

The December and January meetings of the Club have been devoted to ways and means of promulgating the Single Tax gospel, as well as to the regular business of the Club.

At the meeting held December 2, the general subject for discussion was education, based upon the book being studied by the Washington Federation of Women's Clubs, entitled "The Purpose of Education in American Democracy," compiled by the Educational Policies Commission. The Federation speakers of the evening were: Mrs. Arthur C. Watkins, Chairman, Department of Education; Mrs. Charles H. Pierce, Vice Chairman, Department of Education; and Miss Mary E. Downey, Chairman, Committee on Public Safety. Among the other speakers was Mr. Matthew Ramage, a school teacher of many years' experience, who gave examples of the methods used by him to make school courses interesting; he explained that the secret of learning was learning how to learn. Mrs. Walter N. Campbell spoke on the true purpose of teaching—which she considered to

be enabling people to think clearly for themselves, mathematical training being particularly useful to gain this end. After some discussion it was suggested that the Washington Federation of Women's Clubs take up the study of "Progress and Poverty," after completing the present work.

At the January meeting, the speaker was Mrs. Barbara Crosser Sweeney, who gave an interesting and instructive talk on organization and also on methods of individual work in spreading the Single Tax gospel. In response to the question as to why Mr. Robert Crosser was the only Georgeist left in Congress, some of the methods used to defeat our other Representatives were explained. Mr. Walter I. Swanton presented an interesting account of the Single Tax, where it is advocated and where applied.

Great Britain

At its quarterly meeting, toward the close of 1940, the United Committee for the Taxation of Land Values, made plans for organizing its work for 1941. It is interesting to note that the scope of activities for the coming year are not to be less than it has been during 1940. The maintenance of the Committee's journal, *Land & Liberty*, is provided for, monthly, at its present number of pages (12), and for a surplus supply available for propaganda uses. Distribution of the journal has already given evidence that it is an effective means of propaganda.

At the headquarters of the Committee and of *Land & Liberty*, in London, is also housed an international Georgeist body known as the International Union for Land Value Taxation and Free Trade. There are members of this Union in every part of the globe. At this time particularly, such an organization, devoted to the building up of international good will among workers in the Georgeist cause, is most valuable. Membership is open to all who embrace the Georgeist doctrines. The small sum of \$2.00 will bring a year's membership in the International Union and a year's subscription to *Land & Liberty*. (Larger donations are, of course, welcome.) Application for membership may be obtained by addressing the United Committee for the Taxation of Land Values, 34 Knightbridge Street, St. Paul's, London, England.

St. Paul's, incidentally, is in the heart of London, where extensive bombing raids have been carried out by the enemy. It is gratifying to report, however, that the office of the United Committee has escaped damage, even during the severe City of London fires of December 29th. The quality of *Land & Liberty*, too, has remained unimpaired. The January 1941 issue is especially interesting. It carries many informative accounts of the current situation in Britain as related to the Georgeist proposal.

There is also the first installment of an article on the land question in Germany, by Bruno Heilig, entitled, "The Land Question Germany's Dominating Factor." Mr. Heilig was

the Balkan correspondent of the Berlin *Vossische Zeitung*, 1920-1928. He was expelled from Hungary for his criticism of the landowners' reactionary system. In his *Land & Liberty* article, Mr. Heilig asserts that Henry George's "How Modern Civilization May Decline," if written in the present tense, would be a description of Germany today. He traces land speculation as the chief cause of Germany's woes which led to the rise of Hitler. During the post-war reconstruction days, "land speculators had a fantastic time, some doubling and trebling their fortunes overnight. While the common people toiled feverishly and proudly to build up the new Germany that should be the world's most advanced community, money poured into the pockets of those who gambled in land values . . . The boom had lasted some seven years, and it ended with seven million men and women, one-third of the wage-earning people, rendered unemployed, and the middle class as a recognizable section swept away."

January 20

THIS date, even prior to 1941, is memorable in history. It is peculiarly the date of both life and death with reference to democracy as a mode of government. For it was January 20, in the year 1265, which brought to life the first English Parliament. Simon de Montfort, Earl of Leicester, after overthrowing Henry III, promulgated a Constitution, and called forth representatives from shires and boroughs to meet in Westminster Palace. Then and there were effected the rudimentary beginnings of the present-day bicameral Parliament in England.

Again on this date, in the year 1793, Louis XVI listened in silence to the reading of his death sentence. The guillotine thus marked the end of the throne of the Bourbons and the birth of a French democracy.

On this very same day, in the year 1941, of controversial significance to democracy, Franklin D. Roosevelt was inaugurated as the first third-term President of the United States of America. Thus was a tradition terminated which had successfully withstood attack since the birth of the American Republic.

It is intriguing to suppose that January 20 was chosen as Inaugural Day because of its historic significance. But this is not the case—the date was arrived at by a compromise. When the Twentieth Amendment to the Constitution was proposed in Congress, January 15 was the date fixed by the House of Representatives. The Senate voted for January 24. The Committees of both Houses met to adjust their differences, and by the simple expedient of splitting the dates, arrived at January 20 as Inauguration Day.

In the light of democracy's historic events, no more significant date could have been selected.

The Interest Question An Australian Comment

By A. G. HUIE

FOR years the wrangling over interest has had a hamstringing effect upon efforts to spread a knowledge of Henry George's principles among the people. It is all the more difficult to understand Mr. Gaston Haxo's attitude following his admissions in the opening paragraphs of his article, "A Theory of Interest", in the July-August 1940 issue of *LAND AND FREEDOM*.

He admits (1) that the interest question has been the subject of discussion for many centuries without reaching agreement; and (2) that today interest is more firmly established than ever. It is under these conditions that he adds to the dissension among those who feel that land rent should be shared by the people and that taxes upon labor should be abolished.

A man may be quite a good George propagandist but someone whispers to him that George was wrong on the interest question. It is plausibly put up that there are other unearned increments apart from those arising in land. So a promising man goes astray, no good to the cause, only a faultfinding critic, and really helping the land monopoly which he claims to oppose.

It seems to me that the attack upon George's views upon interest is really based upon Marx's confusion of land with capital. No man ever did the workers of the world greater disservice than Karl Marx. He gave them a wrong outlook. Unless you have a clear understanding of (1) what constitutes the resources of nature provided free for the use of men, called in economic terms "land", and (2) what is capital, i.e., wealth used to aid production, you are liable to go astray on the question of interest.

Anyone possessing a sense of justice recognizes that labor is entitled to all that it produces. In order that it may do so, equal right of access to the resources of nature is the first essential. The second is that the earnings of labor shall not be subject to any deductions because of taxes imposed by Governments or through special privileges granted to vested interests.

Now Mr. Haxo appears to have failed to understand the logical effect of putting George's proposals into practice. The sources of unearned incomes would be dried up. His assumption, therefore, that a man and his children after him indefinitely could live without working is ill-founded. The income that they get comes from the use of land in some form which is now held to return ground rent to the owner. Such conditions would not exist with ground rent as the natural revenue of society. The capital associated with such land has but a limited life.

Mr. Haxo asserts that the premise that nature gives an increase to capital apart from the return to labor is false. Very well, then, what would be the return to labor without the use of capital? Is it not clear that the use of capital results in an economic advantage to labor? If that advantage is to be enjoyed only by the labor that uses the capital, is it not at the expense of the labor that produces the capital?

The object of production is the satisfaction of human wants. The element of time explains why there is an increase due to capital apart from labor. Capital rightly understood is always a labor product. If the maker of any form of capital uses it himself he enjoys the economic advantages which its use enables him to gain. If he uses capital that another's labor has produced he can only enjoy the economic advantages due to its use at the expense of the labor producing the capital unless he pays interest.

Labor does not produce capital for the sake of allowing other labor to be enriched. If that were so then the mainspring of hu-

man action, that men seek to gratify their desires with the least exertion, is also false and economic science rests on a foundation of sand.

That Mr. Haxo has failed to appreciate the effects of applying George's principles is seen where he asserts that the forces of nature outside man himself which increase the productiveness of labor "will accrue, not to capital or labor, but to monopoly in the form of extraordinary profits or in the form of rent," adding, "if this principle is economically sound."

Yes, "if." But there would be no extraordinary profits or rents to monopolists with George's principles in force so that both producers and consumers would share the economic advantages of labor exerted in production, whether that labor was in the accumulated form of capital or in the working form of labor.

After quoting the definition of capital Mr. Haxo proceeds to ask a question: "We are confronted with the task of determining how much of the produce shall go to capital in interest and how much shall go to labor in wages. Justice demands that each shall receive what it produces, but what has capital produced?" If there were no increase accruing from the use of capital, the answer would be, that capital should receive nothing. The assumption, however, is an absurdity.

Production is carried on by labor, but labor is in two forms, passive in the shape of capital and active in the shape of human effort. If the former had no productive power, as asserted, the latter could do without it. Any practical man knows that the passive form of labor, which we call capital, confers upon the user economic advantages in addition to those due to the active form of human exertion. For that reason men are willing to pay interest, because paying it means more to them than they could earn without paying it.

For the same reason men are willing to pay rent for land above the margin of production. As Patrick Edward Dove put it, "The land produces, according to the law of the Creator, more than the value of the labor expended on it and on this account men are willing to pay a rent for land."

In the same way men are willing to pay for the use of capital because of the increase in results to them. Interest then, is as inevitable and unavoidable as rent. All that we can do is to see that those who are rightly entitled to both interest and rent shall receive them.

The attitude of Mr. Haxo towards capital is of the hair-splitting type, which is of no value if we are to regard George's proposals as practical and capable of realization. He denies that capital is a factor of production but asserts that it is an instrumentality of labor—quite a fine distinction. He is at pains to assert that capital itself produces nothing, and is not entitled to any part of the product. If that is so, then labor could do without it. The practical man knows better. He is not deceived by the finesse of the hair-splitter.

Let me give an example. A party of prospectors discover a good mineral deposit. To develop it so that they can get wages out of it, capital is a vital necessity. They have not got the capital. Without it they are powerless and the riches in the land are no good to them or anyone else.

But other men have the necessary capital which labor had produced. So a bargain is struck. Capital is provided, the mine is developed, and it becomes profitable to the labor that works it, to the labor that has provided the capital and to the community generally.

But Mr. Haxo asks, What has this thing called capital produced? He says that it "has no productive power" and that of "itself produces nothing". All the natural riches of the earth produce nothing, in the same sense, until labor is applied. The earth is as

inanimate as "this thing called capital" until man puts forth his hand—his labor power—to gather fruits, catch fish, snare animals, or do anything else towards satisfying even primitive needs.

If we Georgeists are to accomplish anything worthwhile we must be practical instead of being merely doctrinaires. In putting forward his proposals, Henry George was practical. He recognized that rent was an inevitable payment where competition set up a demand for the opportunity to use land. Rent, therefore, should be shared by the people through being used to provide public works and services. He also recognized that capital was essential in the production and exchange of wealth. He did not refer to it contemptuously as "this thing called capital" and he did not deny that it was a factor in production. He saw that there was an increase in wealth production because of its use apart from rent to land and wages to labor, and that payment because of that increase was both just and inevitable. What that interest will be is determined in the same way as rent for the right to use land and wages to the laborer—by the natural law of competition.

In his efforts to justify his attitude Mr. Haxo appears to me to reach the limit of absurdity. He says that it is just as natural for a laborer to have capital to work with as it is for a buffalo to have horns or for a tiger to have claws. The horns of a buffalo and the claws of a tiger are essential parts of those animals. A man's finger nails are also parts of a man. Capital is not part of a man. It has to be produced by the application of man's labor power to the raw materials of the earth. To the extent that a man produces tools, for example, they are his and he is entitled to the economic advantages which they enable him to gain.

That is clear, but the point at issue is where others produce the tools that a man needs to use. Suppose a man buys tools or a machine or any other article properly defined by George as capital. What is he paying for? Not merely for the labor of making it but rent and interest also. Under present conditions all parties also pay taxes in addition.

But instead of paying the interest when he buys the goods he acquires their use on loan. There are no horns or claws about that. He gets the economic advantages due to the use of the capital he has borrowed, produced by other labor and he pays for it. If he did not pay for it he would be loafing on the labor that produced that capital.

Proceeding to discuss the nature of interest Mr. Haxo indulges in some more hair-splitting in his efforts to show that land and labor only should be considered in the distribution of wealth. Let it be understood that I am not an advocate of the interests of capital. I simply recognize inescapable facts.

Anyone using his own capital reaps such economic advantage as it is capable of yielding. Mr. Haxo asserts that the producer who uses his own capital is not concerned as to the amount of that advantage. Nevertheless, he would be seriously concerned if he did not get it.

It is only when the capital is borrowed that objection is raised to the payment of interest. That is a common objection held by socialists, communists and an assortment of money cranks.

No doubt borrowing is greatly promoted by the private ownership of land, for it severely restricts labor's field of operations and undoubtedly prevents many men from accumulating and using their own capital. That, however, has no bearing upon the inevitable payment of interest.

It is an effect of that basic monopoly of the earth which is the foundation source of economic evils. The original and primary factors of production are land and labor. In modern production, however, there arises the need for an additional force which is indispensable if land is to be made to yield what labor needs.

Trying to dismiss it with contempt as "this thing called capital" and denying that it is a factor in modern production shows failure to face practical realities and failure to concentrate on eliminating the primary evil of monopoly of natural resources which has led to so much borrowing of capital when under natural conditions it would be reduced to a minimum.

It is asserted "those who need capital goods buy them from those who produce them and whose return is therefore wages and not interest." What of the business man who carries on so as to avoid insolvency and prices his goods so as to cover wages? It is a recognized principle of business that you must have a return upon the capital utilized in order to succeed. The purchaser of the printing plant, therefore, pays interest when he buys it and if he is to successfully carry on business he must include it in the prices he charges for his printing.

We come now to the assertion that it is money or its equivalent—purchasing power—that is borrowed. It is followed by this remarkable statement, "If actual capital were borrowed we would have an independent rate of interest for each form of capital." The man who was growing wheat, for example, would have to pay a different rate of interest for the capital he had to borrow than the man who was keeping sheep or another who was making machinery. It is not really money that is borrowed, but wealth expressed in money terms. For if the wealth were not in existence a loan would be impossible.

This attempt to make a distinction between the borrowing of wealth and wealth expressed in money terms is one of the commonest and most fallacious errors of our time. It leads to many fantastic and impractical proposals put forward by men who fail to go down to the root causes of social injustice. They see the effects, which they deplore, and mistaking money and currency for wealth, propose to manipulate them to make conditions better.

So Mr. Haxo reaches the conclusion that the return for money lending—interest—is an unearned increment. That, however, is based upon the fallacy that it is money that is borrowed—not wealth that the money represents. Let us again try to get back to practical realities. A man is acquiring a shop or a small factory. He has part of the means to pay for it, say half, which he is willing to pay down. He must then get a loan upon such terms as may be agreed upon. It is paid over in money by an individual, a firm, or a bank.

But how does the lender find himself in a position to make that loan? Only because of wealth produced and accumulated. What he does is to transfer the right to use it expressed in money terms. It is not money that the borrower wants and pays interest for, but the right to use a certain amount of wealth belonging to others.

Now we come to the conclusion which in my opinion disposes of the attack made upon George's explanation of the cause of interest. Asking the question, is interest equitable, Mr. Haxo answers it in these words: "This depends on whether we are considering interest as a private business transaction or as an institution. The former is equitable because it is a contract freely entered into by two parties". Then he goes on to say that the latter is inequitable because it is forced upon the people as a result of social and economic injustice. Thus we have a clear admission that where interest payments are said to be inequitable it is an effect, not a cause, of social injustice.

So that instead of arguing about interest, the real work is to arouse the people as to the primary causes of poverty in a world where labor is becoming more efficient and wealth is increasing.

The distinction between interest as a private transaction and as an institution seems to me to be purely artificial. It is true that public debts would tend to disappear and that much borrowing would

(Continued on page 34)

BOOK REVIEWS

VOX CLAMANTIS IN DESERTA

"The Tragedy of Europe," by Francis Neilson. C. C. Nelson, Appleton, Wisc., 1940. 680 pp. Limited first edition, \$10.00.

From time immemorial, war has hung about the world like the dead albatross on the back of the Ancient Mariner, and in "The Tragedy of Europe," Francis Neilson has undertaken the superhuman task of dissecting its causes and placing the blame for the present conflict.

Few writers are as well equipped for the job at hand. From a ring-side seat in the House of Commons he witnessed the diplomatic maneuvers which ushered in World War No. 1. What he saw he published in a scathing indictment entitled, "How Diplomats Make War." Five large printings of this book have been made and foreign translations have carried it into Germany, France and Sweden. In the intervening years Mr. Neilson has continued his study of international politics, and the present volume is the fruit of that consecration. To it, and to the indomitable courage with which he has expressed his views, Robert M. Hutchins, President of the University of Chicago pays tribute in his introduction to this remarkable book.

In a day-by-day commentary on military, diplomatic and political events from September 1939 to the invasion of Greece in the following year, the author has traced the cataclysm of affairs in Europe and their effect in the United States.

Mr. Neilson recognizes that the object of war is territorial aggrandizement, but his purpose in this book is primarily that of finding out to whom the guilt of making war belongs. Quoting *The Times* (London) of 1912, he says:

"The answer is to be found in the chancelleries of Europe, among the men who have too long played with human lives as pawns in a game of chess, who have become so emeshed in formulas and the jargon of diplomacy that they have ceased to be conscious of the poignant realities with which they trifle. . ."

Long before Munich, Mr. Neilson recognized the superior strength of Germany. Nor was he ever deluded with the idea that once his bluff was called Hitler would collapse like a pricked balloon. He believes that the old system of the balance of power will have to go, and Great Britain and France must realize and express a willingness to become partners with the other states in a new European system.

It is not in Hitler, but in Stalin, that Mr. Neilson discerns the real world menace. He says, "The exhaustless energy of Stalin has been spent in raising an illiterate thief and cut-throat to an eminence Ivan the Terrible would have hesitated to occupy. . . It is because our interventionists have their binoculars fixed upon the wrong man that they are oblivious to the greatest menace of all; the one which is watching and waiting for the moment to leap—the menace that lies between the Dniester and the Urals."

Mr. Neilson does not believe the defeat of Britain would be followed by an invasion of this Continent within this generation. Further than that he has wisely refrained from making any prediction. His opinion is that a victorious Hitler would be far too occupied with the tasks of his success to be able to undertake an enterprise of such magnitude.

Like a voice crying in the wilderness, "The Tragedy of Europe" will not find easy acceptance. It advances an unpopular view of the war, and the radio and the daily press have successfully inoculated us against its practical iconoclasm. But the voice will not go unheard. As President Hutchins says in his excellent introduction, "Mr. Neilson is entitled to speak. . . and at this hour, when

the fate of all the world is at stake, opinions opposite to those of the majority deserve the most careful attention. Our country will shortly be faced by the decision for peace or war. In reaching that decision we must take into consideration the conclusions reached by the author of this book."

V. G. PETERSON

TWO NEW OFFERINGS OF JOSIAH WEDGWOOD

By recent mail have come two books from England by the Rt. Hon. Josiah C. Wedgwood, D.S.O., M.P.

The one, "Memoirs of a Fighting Life," is an autobiography—an enormously informative work, which gives an intimate backstage picture of British political affairs and shows its author in the role of Commander in the Navy, Colonel in the Army (doing active service in both), Commissioner to South Africa, India and Palestine—and for thirty-five years, a Member of Parliament.

Through the whole chronicle runs a hopeful theme—Col. Wedgwood's complete dedication to the philosophy of Henry George. It is written with a scholarly and brilliant pen, dipped more than occasionally into delicious humor. The book, unfortunately, is not yet for sale in the United States, but a demand for it should be started by Georgeists all over the country, not only because of its admirable contribution to modern history, but because of its propaganda value.

The second book by Col. Wedgwood (in collaboration with Allen Nevins, professor of history at Columbia University) is entitled "Forever Freedom." It is an anthology of great statements made down the centuries, on Liberty. Four pages are given to quotations from Henry George. And under the only picture in the book, a portrait of Col. Wedgwood, is his statement that "the main desire of his life is to get England to adopt the philosophy and taxation of Henry George." This admirable anthology (published by Penguin Books, price 25c) is something to be studied by young and old alike (particularly by benighted anti-Georgeists!). It is apropos of the moment, and yet timeless.

ANNA GEORGE DE MILLE

PAMPHLETS RECEIVED

Mr. Don L. Thompson has written and published a number of pamphlets on different phases of the economic problem. Among them are: "Legislating Prosperity for the Farmer, and the Back-to-the-Farm Panacea", "Our Deluded Over-Productionists—Not Over-Production but Under-Production", "The Problem of Unemployment", and "The Great Economic Delusion—an Answer to the Townsend Pension Plan." Mr. Thompson deals with fundamental economics, and many current fallacies are effectively answered in these pamphlets. Information pertaining to them may be had by writing to Mr. Don L. Thompson, E 2527 Illinois Avenue, Spokane, Wash.

A new and attractive edition of John Salmon's pamphlet, "American Taxation," has been published by the School of Democracy. In his preface, Mr. Salmon says: "Astonishing confusion of thought prevails on the subject of taxation. It's not so complicated as some writers make it. Our effort is made herewith to present it simply, hoping to have readers realize the need for a change more in conformity with American ideals." In the booklet, the Georgeist view on taxation is concisely presented.

Henry Ware Allen has compiled a conveniently collated questionnaire on the Single Tax. It is printed under the title, "What is the Single Tax?" This pamphlet, published by the Fairhope Single Tax Corporation, consists of thirty typical questions and answers concerning the philosophy of Henry George.

CORRESPONDENCE

A WORD FROM BRAZIL

EDITORS LAND AND FREEDOM:

It is for me a pleasure and an honor to be designated Brazilian correspondent of LAND AND FREEDOM. I love liberty as a supreme good of human dignity; and the Georgeist doctrine draws my greatest sympathies. But I ought to confess to you: economics is not my "line"; I am only a historian of literature.

My sojourn in Brazil will be short. I shall return to Portugal, where I should be glad to continue at your disposition. Prof. Matheu Alonso visited me once at Lisbon and gave me some very interesting literature on the Georgeist movement. But since the Spanish civil war I heard no word from him. At Buenos Aires, Villalobos Dominguez visited me in 1936. I have been reading his articles in the journal *Nosotros*. I would like very much to establish contact with the Argentine Georgeists. It seems to me that conditions there are very favorable to the Georgeist movement, on account of the tradition of Rivadavia.

I have written a new book, "Dernieres Aventures," in which I make some reference to Henry George. I am also associate editor of two American periodicals—*Books Abroad*, and *Hispanic-American Historical Review*.

Please be assured of my best sentiments, and my Georgeist solidarity.

Sao Paulo, Brazil

PROF. FIDELINO DE FIGUEIREDO

MR. BENJAMIN ANSWERS MR. WILLCOX

EDITORS LAND AND FREEDOM:

Mr. W. R. B. Willcox's article, "A Challenge to Pessimism," I gather, was partially intended as a refutation of my article, "The Price of Freedom." It is not. It is but an example of the confused thinking one falls into when a distinction between "landowners" on the one hand and the "power to collect economic rent" on the other hand is attempted. Actually, the two terms are identical, because whoever collects the economic rent is the landowner, whether it be the community or an individual. Thus Georgeists are a body of land reformers, are a minority fighting landlordism.

The gist of Mr. Willcox's argument, however, is to be found in the following statements, after each of which I append my answer.

1—"Why do Georgeists antagonize, or want to fight landlords? Will there not of necessity always be landlords to administer the land to which they hold titles?" If Mr. Willcox means by "fighting" the landlords, the teaching of the philosophy of Henry George, then the answer is self-evident. If he means physical force, my answer is this: I have no objection to that course—provided the people want to take it because the landlords block peaceful reform. As to the landlords being indispensable to the collection of rent, as agents of the community, they certainly are not. True, George said they *might* be used in that function—but so might anybody else. As a matter of fact, landowners of huge estates employ agents to administer their investments. Thus, to argue, as Mr. Willcox does, that titles to land will pacify landowners, is to say the exiled aristocracy of past monarchies revel in their titles—when the truth of the matter is they are hopeful of regaining their confiscated lands, of which their titles are "legal" recognition.

2—"Georgeists should know that the . . . landowner's claim . . . weak as it is, is far stronger than that of the public. He usually can submit a title deed in legal evidence of ownership, which in most instances is more than the public can do." Mr. Willcox might be interested to know that the Constitution of the State of New York vests the land in the people's ownership, which is not a bad

start from a legal point of view. However, for a Georgeist to admit the legality of a perpetuated fraud—which is all the legal aspect of the situation is—is to acknowledge the right of private property in land, for how else is landlordism justified?

3—"If force is to be the arbiter in this case, Georgeists should know that the decision will go to the landowners, who have all of the legal, educational, financial and military power in their hands; and that to oppose this power means persecution and civil war." Mr. Willcox, who claims to challenge the pessimists, should challenge himself at this point, because if his statement is true we might just as well tear up "Progress and Poverty" and deny that the people desire to better their existence. Many influential colonists held Mr. Willcox's view when debating the issue of independence or continued subservience to England. The Tories—who were the landowners—opposed independence, aided England in the struggle, and were deported to Canada for their truculence—their lands confiscated after the war. I do not wish to imply that civil war is the only way to attain the single tax society, but if that day should come—if it will prove to be the only efficacious manner of gaining our objective because the landlords will have contrived a way to block peaceful reform—it is logical to believe the people will fight. In a sense, Mr. Willcox answers the question himself when he says later on, "So desperately do men want land that down through the ages, if not otherwise to be had—men have fought—and still fight—to possess the land." Exactly. And I might add that men will continue to fight until they realize that the single tax society is the only society in which they will not have to fight in order to gain access to the land.

4—"Is it possible that . . . Georgeists are becoming merely another group such as socialists or communists—blindly, fanatically adhering to still another 'ism,' hypocritically denouncing the evil doctrine of Karl Marx of the inevitability of a class war between Labor and Capital, while . . . propounding a doctrine no less evil, the inevitability of a class war between landlords and non-landlords. . . ?" Is it the *method of achievement* which interests Mr. Willcox, or the *validity* of the Georgeist philosophy? Lastly I must take issue with Mr. Willcox's implication that landlords are not at war with non-landlords. Of course they are! If this were not so, what other issues could be ascribed to the present war or any past war? (This is not to justify Hitler's attempt to displace England as No. 1 landowner; his idea is displacement, not common property.) Why are there depressions and poverty throughout the world if not for the wars the landlords are constantly waging against the rest of mankind? Certainly Georgeists are adhering "fanatically to still another 'ism'—free-ism.

New York, N. Y.

SANFORD J. BENJAMIN

A FREE TRADER SPEAKS

EDITORS LAND AND FREEDOM:

I have plenty of friends to educate to the Georgeist doctrine, but the name of your valued journal is a little too strong for simple souls. Henry George once said that people will understand the land question when the free trade question is opened. Free trade is the pathfinder.

I therefore suggest that you change the name of your journal to FREE TRADE. You could perform your present function just the same, and even enlarge your field. You would attract the interest of a great many merchants.

There are innumerable examples, with a free trade moral, that could be used to direct attention to the economic problem. I mention a few of them: The City of Vatican is in Rome proper. In the Vatican City, a pound of sugar costs three cents. On the Italian

side, it costs twenty cents. In Gibraltar, a pound of coffee costs seven cents. On the Spanish side it costs three dollars. In the Dominican Republic, a pork costs two dollars. In New York, the same pork costs fifteen dollars. In Greece, a box of cigarettes costs two cents; in Spain, two dollars. In the United States a woman's dress can be bought for two dollars; a woman in Venezuela has to pay fifteen dollars. Etc., etc.

There is a great deal of information at this time about the restriction of commerce by the Statc. The merchants of the world are our allies, and it is time that we make use of this great force.

New York, N. Y.

ROGELIO CASAS CADILLA

AGAIN THE ISLAND

EDITORS LAND AND FREEDOM:

Mr. L. D. Beckwith, presumably by exercising a power of clairvoyance, says that because two men on an island live to themselves, there must be waste of products. Why? Is there any reason to suppose that Brown is not exploiting his holding to the full and consuming all his products, and that Jones is doing likewise? Here we see Mr. Beckwith again shifting his opponent's pieces in an endeavor to avoid checkmate. What he says about one being a better worker than the other is entirely irrelevant. Both may be equally skillful, equally industrious and equal in every other way and yet, because of better natural advantages resident in his land, Brown makes a living worth, say, £500 a year, while Jones ekes out a bare subsistence worth £50. Clearly the difference is rent; it cannot be wages, as equal work is posited. In both of Mr. Beckwith's replies he has endeavored to make out a case by assuming things which are not in my hypothesis, a clear indication that he is in difficulties. He asserts that when only two people are involved there cannot be rent. (When would rent start, with three, four, five?) George held that when two men want the same piece of land, rent exists. Poor Henry George! what did he know about rent! He, at any rate, has "not advanced since 1897!" I don't think your readers will have any difficulty in deciding who is right as regards this island illustration, and to elaborate the point further would be like whipping a dead horse, so, with your permission, I will now show that what applies to the island also holds in settled communities.

Mr. Beckwith props up his claim that "land can never have any value" by the theory that the higher the rent of a block the more that block will be found to use public (or other) utilities, let us say roads for short. Let us test this. Block A is fertile and needs no artificial manure. Its product is 10 X, cost of production 5 X, rent therefore 5 X. Block B is less fertile, but by using the roads and carting in fertilizer its production is brought up to 10 X. Both blocks will therefore (other things the same) use the roads equally so far as distribution of their products is concerned, but the poorer block—B—will, in addition, use the roads for bringing in fertilizer. The costs of production in this case are 5 X plus 1 X for fertilizer, rent therefore 4 X. Thus we see that the land with the higher rental makes less use of the roads. Q.E.D.

Now, another illustration. Suburban home sites with good soil will command a higher price (rental) than those with poor soil. This is because the home owner knows he can produce vegetables, etc., for his own use with less trouble and expense. He is not looking to market any of his crops and consequently does not use the roads for such purpose. On the poorer soil he would have to cart in manure, use more water, etc. Here again, higher rental value, less use of roads, etc. Again Q.E.D.

One more instance. Here in Auckland a quarter acre home site fetched £1500 while a similar site, abutting onto it at the back, was sold for £650. Why the difference in price? There are just two reasons and neither of them has anything to do with public (or other) services rendered at the site. Both blocks are identical in these things. The higher value (or rental) is due to the fact that the site faces the sun and affords an uninterrupted view of the Auckland harbour and the magnificent Hauraki gulf. The lower price site has its water view largely built out and faces away from the sun. I do not say that in this case the extra value is in the soil, but obviously it has nothing whatever to do with "services rendered at the location," which Mr. Beckwith asserts is the sole cause of the existence of rent. Still again Q.E.D.

Auckland, New Zealand

C. H. NIGHTINGALE

[The above letter closes the controversy between Messrs. C. H. Nightingale and L. D. Beckwith in the pages of LAND AND FREEDOM—Ed.]

EDITORS LAND AND FREEDOM:

Have you ever considered the similarity of the teachings of Jesus with those of Henry George? Jesus said: "I have come that they may have life and have it more abundantly." "Pray ye thus: Thy kingdom come, thy will be done on earth as it is in heaven." "It is easier that a camel pass through the eye of a needle than that a rich man enter the kingdom of heaven."

Jesus gave us a law by which we must live in order to avoid the hell of poverty and war. Henry George gave us a system which would be Jesus' law applied—a system which would give us the Kingdom of God on earth. Under his plan—to remove the taxation of labor products and place it on land values—poverty would be abolished, peace and harmony assured, and human beings would tend to "love one another," as Jesus urged.

St. Louis, Mo.

A. L. PICKHARDT

EDITORS LAND AND FREEDOM:

I think that LAND AND FREEDOM is not only the best organ of the Single Tax movement, but really it is the only one of any intrinsic value. Frankly, it is the only one I ever read.

Pittsburgh, Pa.

JOHN C. ROSE

(Continued from page 31)

be unnecessary with a just distribution of wealth—rent to governments to pay for public works and services, wages to labor, and interest for the use of certain wealth which we call capital.

Experience, however, does not favor the idea of what is really economic interest disappearing. For, as George has so clearly shown, wages and interest rise and fall together. In new communities where land is cheap and easily accessible, they are high. When land is dear, because privately monopolized, they are low. Interest, however, would not trouble labor or be a burden to labor where rent was used for its proper purpose. Under such conditions labor would get its full earnings as natural resources would be open to men.

I submit that arguing about interest, wasting time over money and currency are lamentable deductions from the efforts necessary to remove the basic injustice—the monopoly of natural resources. While this idle disputation goes on, the great masses of mankind have to pay to live and work on the earth, fight for it when occasion arises, and eke out a very bare existence in old age.

The Philosophy of Freedom

A Special Review of a Remarkable Book

"The Philosophy of Freedom," by Gaston Haxo. Land and Freedom, 1941. 210 pages, \$1.00.

A PRACTICAL observer for many years of the old propaganda methods, Mr. Haxo has had a splendid opportunity to develop his ideas of teaching. He has taught many "Progress and Poverty" classes in the Henry George School of Social Science, having been since 1937 the head of the correspondence course division of the School. It was his experience in this field that enabled him to discover the "weak spots" in the average student's understanding. Extending the observation, he has discerned a similar inability of other readers of "Progress and Poverty" to grasp the technical aspects of the subject. Thus did he come to realize that the full implications of the philosophy have been missed by many of our "Georgeists."

Concentrating upon the difficult parts of "Progress and Poverty," Mr. Haxo has recast and adapted them to the needs of those to whom the classic does not easily unfold. Even those for whom "Progress and Poverty" presents no seeming difficulty will derive an added enjoyment from that masterpiece upon reading "The Philosophy of Freedom." They will appreciate the many charts and diagrams which function as an integral part of the text, and constitute one of its most important features. Even "P & P" experts may well profit from a perusal of "The Philosophy of Freedom."

While the author deserves credit for the manner in which he handles the economics of "Progress and Poverty," this review would be incomplete without a recognition of his gift of philosophic expression. Mr. Haxo writes with inspiration, and his loftier passages entitle him to rank with the outstanding expounders of Henry George. Indeed, an appreciation of "The Philosophy of Freedom" can only lead to a deeper appreciation of "Progress and Poverty". This is the modest and ultimate purpose of the work.

Each of the ten books of "The Philosophy of Freedom" is headed by "Gems from Henry George," carefully selected for strengthening and embellishing the text. Mr. Haxo has employed the classroom approach throughout, and has modernized the exposition. Beginning with the definition of the terms, the author follows "Progress and Poverty" in regular sequence, diligently compiling and integrating the various chapters into his adaptation. His handling of "The Laws of Distribution" is particularly effective. It is replete with interesting charts and invaluable footnotes, elucidating the capitalization of rent, the margin of production, etc.

In his treatment of interest Mr. Haxo presents a thorough account of George's theory. He makes the point that divergent views on this subject can in no wise affect the fundamental features of land reform. Here again charts are employed to drive home the functions of labor and capital, wages and interest.

"Material Progress and Distribution" is presented with the assistance of twenty diagrams. The entire Story of the Savannah is depicted in two illustrations. Equally fascinating are the chapters on trade and exchange, with mathematical calculations of the advantages of a free economy. "The Remedy and the Justice of the Remedy" is eloquently portrayed. All of the other main headings of "Progress and Poverty" are likewise conscientiously interpreted. There is never a dull moment in "The Philosophy of Freedom", from the introductory biographical sketch of Henry George to the Ode to Liberty in Book X.

A useful appendix, "Land Value Taxation in Practice" and a serviceable index, conclude the work. The typography is of high quality and the format is of convenient size. Every Georgeist and every advocate of freedom should want to possess this remarkable contribution to economic literature.

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Land and Freedom

VOL. XLI. No. 1

SECTION 2

1
01

A Legislative Framework
for the
Philosophy of Henry George

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The Purpose of This Pamphlet

Henry George, in "Progress and Poverty," made an inquiry into the cause of business depression and increase of want with increase of wealth. He proved the cause to be private property in land. He prescribed the remedy, to give all men equal rights to land. He outlined the method, to make rent common property, through taxation, and to abolish all other taxes.

This pamphlet has been compiled for the benefit of those who would undertake to legislate Henry George's reform into action. Over two years research, including an exhaustive technical examination of the tax laws of New York State and the Federal government, have been spent in its preparation. Frequent conferences have been held. A preliminary draft was submitted to more than one hundred prominent Henry George adherents. Many replied, with constructive suggestions, which are used in this completed work.

The New York State bills can be used as models for other states.

This framework of laws should be in the hands of every person who believes in the Philosophy of Henry George. It should be introduced in every legislative session, and fought for on non-partisan lines—not as a tax reform—but as a proposal to abolish unemployment and business depression.

This philosophy can be put into effect in one way only—through the legislative machinery; it must be written into our laws. With this in mind, the American Association for Scientific Taxation, in collaboration with LAND AND FREEDOM, have prepared this framework.

Two Constitutional Amendments

State of New York

(1)

CONCURRENT RESOLUTION OF THE SENATE AND ASSEMBLY OF THE STATE OF NEW YORK

In the following proposed Amendment to the New York State Constitution, the words in brackets [] represent matter to be omitted from, and the words italicized represent new matter to be added to, the present Section 10 of Article 1 of the New York State Constitution:

(1)
(Amendment of
Section 10, Arti-
cle 1)

Proposing an amendment to Section 10 of Article 1 of the Constitution, in relation to ownership of lands; allodial tenures; escheats.

SECTION 1. Resolved, That Section 10 of Article 1 of the Constitution be amended to read as follows:

§10. Ownership of lands; allodial tenures, escheats.

The people of the state, in their right of sovereignty, possess the original and ultimate property in and to all lands within the jurisdiction of the state. All lands shall forever remain allodial¹ so that the entire and absolute [property] title is vested in the owners, according to the nature of their respective estates. *It is hereby declared that all land rent belongs to the people as a governmental asset, and it shall be the duty of the legislature to pass laws to collect the full annual value of all land exclusive of improvements, for governmental use.* All lands the title of which shall fail, from a defect of heirs, shall revert, or escheat to the people. *The term land shall be construed to comprise all natural resources inclusive of the surface of the earth, and all natural substances and powers on, in and over it, but exclusive of improvements thereto.*

SECTION 2. Resolved, That the foregoing amendment be submitted to the people for approval at the next general election in accordance with the provisions of the election law.

¹ "Allodial" is opposed to "feudal." The latter tenure required the rendering of services to an overlord, in return for the feudal estate granted. Allodial tenure is complete and absolute, free from such restrictions.

(2)

CONCURRENT RESOLUTION OF THE SENATE AND
ASSEMBLY OF THE STATE OF NEW YORK

(2)
(Repeal of Section
10, Article 8)

Proposing the repeal of Section 10 of Article 8 of the Constitution, in relation to limitations on amount to be raised by real estate taxes for local purposes; exceptions.

SECTION 1. Resolved, That Section 10 of Article 8 of the Constitution be repealed.²

SECTION 2. Resolved, That the foregoing repeal be submitted to the people for approval at the next general election in accordance with the provisions of the election law.

Enabling Legislation State of New York

To carry out the Constitutional Amendment, enabling legislation is of course required. To that end, an Administrative Bill is proposed, as follows:

To promote the general welfare, by taking the value of land and public franchises in taxation, and repealing taxes on the products of labor, industry, and agriculture.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

§1-Policy of state
& purpose of chapter.

SECTION 1. *Policy of state and purpose of chapter.* It is hereby declared that a serious public condition exists in this state affecting and threatening the welfare, comfort, and safety of the people of the state, resulting in abnormal disruption in industrial and agricultural processes, and the curtailment of incomes by unemployment and depression. To increase the wages of labor and the earnings of productive capital, abolish unemployment, and promote the free flow of goods, there must be a shifting of taxation from values created by the combination of labor and industry to the values created by the community. The raising of all our revenue from taxation upon the value of land and public franchises will remove the burdens upon production and industry, bear with greater equity upon all men, and fall upon those who receive from society a peculiar and valuable unearned benefit, and upon them approximately in proportion to the benefit they receive. The shift of the burden of taxation from production and exchange to the value of land and public franchises will tend to dispose the lands of the state to their best possible use, thereby enhanc-

² At present the State of New York has embodied in its Constitution, in Section 10 of Article 8, a 2% limitation on the amount of revenue to be raised by real estate taxes for local purposes. This section must of course be repealed, to give proper effect to this plan for land value taxation.

ing the general prosperity. With natural resources thus made free to labor, with capital and improvements exempt from state and local taxes, and industry released from restrictions, the wages of labor and the earnings of productive capital will be increased, and unemployment reduced or eliminated. Therefore, in the public interest, the necessity for legislative intervention by the enactment of the provisions hereinafter prescribed is hereby declared as a matter of legislative determination.

SECTION 2. *Assessment of land.* Beginning in the year next succeeding the passage of this act and thereafter, land shall be assessed at its full value as though unimproved and free from tax, and the taxing authorities of counties, cities, towns, villages and school districts shall annually fix such tax rates on the assessed valuations of land as to cause, as nearly as possible, the full annual gross value or rent of land to be taken by taxation.³

§2-Assessment of land.

SECTION 3. *Non-Assessment of improvements.* Beginning in the year next succeeding the passage of this act and thereafter, improvements on land shall not be assessed or taxed.

§3-Non - Assessment of improvements.

SECTION 4. *Assessment of intangible franchise rights.* Beginning in the year next succeeding the passage of this act, the State Tax Commission shall annually fix and determine the full and actual value of the intangible franchise right of each special franchise under the jurisdiction of the public service commission and of the transit commission as though free from tax and exclusive of the value of tangible property included in such special franchise. The commission shall also fix and determine the full value and annual value of the same and shall file a written statement of such full value and annual value with the clerk of the city, town, or village in which such special franchise is subject to assessment, as set forth in Section 45-c of Article 2 of the tax law. The taxing authority of each taxing district shall annually fix such tax rates on such full value of the intangible franchise right as to cause as nearly as possible the annual value of such intangible franchise right to be taken by taxation.

§4-Assessment of intangible franchise rights.

SECTION 5. *Equalization of assessment and apportionment of tax.* The State Tax Commission shall make such reasonable rules and regulations not inconsistent with law as may be necessary to require the local taxing authorities of the state to assess land at its full value as though unimproved and free from tax, and to collect the full annual value thereof. The local taxing authorities shall pay over annually to the State Tax Commission for the use of the state, in such manner and at such times within each year as may be prescribed by the State Tax Commission, one per cent (1%) of such full value of land and intangible franchise rights.

§5-Equalization of assessment & apportionment.

SECTION 6. *Repeal of taxes on industry and labor products.* In addition to the abolition of all taxes on improvements on land, as provided in

§6-Repeal of taxes on industry & labor products.

³ The method herein proposed seems for the present more practical, while no less effective, than the alternative method of directly collecting the annual gross economic rent as such, since it conforms more nearly to existing tax procedure.

Section 3, all other taxes on industry and labor products are to be abolished as hereinafter provided, to wit:

The following taxes shall be abolished and the laws providing for them repealed, to take effect on the last day of the second year following the passage of this act:

Tax on gasoline and similar motor fuel (article 12-a of tax law), tax on milk (article 19 of tax law), cigarette tax (article 20 of tax law), taxes on alcoholic beverages (article 18 of tax law), excise taxes on business transactions, occupancy, tickets of admission to places of public exhibits, patent medicine, tobacco, vending machines, possession of telephone connections and all other excise taxes and taxes on sales of merchandise whether under a state law or under any local law.

The following taxes shall be abolished and the laws providing for them repealed, to take effect on the last day of the third year following the passage of this act:

Tax on mortgages (article 11 of tax law), tax on transfers of stock and other corporate certificates (article 12 of tax law), corporation tax (article 9 of tax law), franchise tax on state banks, trust companies and financial corporations (article 9-b of tax law), tax on national banking associations (article 9-c of tax law).

Taxes upon personal incomes (article 16 of tax law), and taxes on inheritances (articles 10, 10-a and 10-b of tax law) shall be progressively reduced until eventually abolished and the laws providing for them repealed whenever the revenue from the tax on land and intangible franchise value is found sufficient to meet all budgetary requirements.

§7-Construction.

SECTION 7. *Construction.* This chapter shall be construed liberally to effectuate the purposes hereof, and the enumeration of specific powers in this chapter shall not operate to restrict the meaning of any general grant of power contained in this chapter or to exclude other powers comprehended in such general grant.

§8-Separability clause.

SECTION 8. *Separability clause.* If any clause, sentence, paragraph, section or part of this chapter shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§9-Saving clause.

SECTION 9. *Saving clause.* The provisions of this chapter shall not affect or impair any contract or remedy, or any act done or any right accruing, accrued or acquired, taxes, tax obligations, or exemptions from taxation, the validity of or rights as to taxes collected or proceeds thereof or the validity as to any acts done or rights or exemptions accruing, accrued, or acquired under any tax laws, general, local or special, or any penalty, forfeiture or punishment under or by virtue of the laws in existence prior to the time when this chapter or any section thereof takes effect, but the same may be asserted, enforced, prosecuted or inflicted.

SECTION 10. *Repeal of inconsistent laws.* All general or special laws or provisions thereof inconsistent with this act or with any part thereof, are hereby repealed.

§10-Repeal of inconsistent laws.

SECTION 11. This law shall take effect immediately.

Explanation of Land Value Tax Law

As the title of the bill points out, the primary purpose is to eliminate business depressions and end unemployment and restore to all men equal rights to the use of the earth. To accomplish this the bill amends the present tax law by repealing taxes on the products of labor, industry and agriculture, and substituting one tax upon the value of land and public franchises.

The annual value of any piece of land exclusive of improvements, usually called "ground rent," is directly due to the presence and activities of population and to the manner and amount of public expenditures. It therefore constitutes the natural source of revenue for government and should be exhausted before resorting to taxation of the products of labor, industry and agriculture.

Relieving improvements from taxation would result in a tremendous stimulus to construction both in the number and character of buildings.

The abolition of sales and other taxes would increase purchasing power, stimulate trade, increase employment, and provide a wider market for the products of agriculture and industry.

ASSESSMENT OF LAND AT FULL VALUE

Assessment of land at full value "as though unimproved and free from tax" is explained by the economic law that the "selling price" or "market value" of land is its net rent (after taxation) capitalized at the current interest rate. For example:

Assessment of land at full value.

A plot of land has a gross annual rent of \$1000.
No tax, \$1000 net rent capitalized at 5% gives a market value of \$20,000.
\$500 tax, \$500 net rent capitalized at 5% gives a market value of \$10,000.
\$1000 tax, \$No net rent capitalized at 5% gives a market value of \$ 0.

The gross annual rent of land, however, is not reduced by taxation: it tends to increase as prosperity rises, causing greater demand for land.

Full economic or annual gross rent capitalized, and not market value, is made the base of assessment value on which the tax rate is calculated.

EXPLANATION OF INTANGIBLE SPECIAL FRANCHISE VALUE LAW

The present utilities law (sub. 6, sec. 2, tax law) defines a special franchise as including the value of tangible property. The courts have held that the value of the naked franchise, or the intangible franchise right, may be determined by deducting the value of tangible property from the total value of the special franchise.

Explanation of franchise value law.

"The net earnings rule contemplates a valuation upon the basis of the net earnings of the corporation which are attribut-

able to its enjoyment of the special franchise. The method is thus applied: (1) ascertain the gross earnings; (2) deduct a fair and reasonable return on that portion of the capital which is invested in tangible property. The resulting balance gives the earnings attributable to the special franchise. If this balance be capitalized at a fair rate we have the value of the special franchise." (*People v. State Board of Tax Com'rs.* (1909) 196 N. Y. 39, 89 N. E. 581, affirming 128 App. Div. 13, 112 N. Y. S. 392. To the same effect, see *People ex rel, Central Hudson Gas, etc. Co. v. State Tax Commission.* (1926) 218 App. Div. 44, 217 N. Y. S. 707, affirmed on this point (1928) 247 N. Y. 281, 160 N. E. 371.)

REPEAL OF TAXES ON INDUSTRY AND LABOR

Repeal of other taxes.

Repeal of taxes on industry and labor products is staggered over several years. It will take a year or more to make necessary adjustments. The bill divides the taxes to be repealed into four classes. First, taxes on improvements, to be repealed at the beginning of the first year after the law takes effect; second, consumption taxes, like sales taxes, at the end of the second year; third, taxes on industry generally, such as business corporation franchise taxes, at the end of the third year; fourth, income taxes and inheritance taxes which are direct taxes are to be progressively reduced and repealed as soon as feasible.

ALLOCATION OF TAXES

Allocation of taxes.

It is proposed that the collection of the tax shall be made by local taxing authorities, who shall remit one per cent (1%) of the full value of land and intangible franchise right to the federal government, one per cent (1%) to the state government, leaving the balance, approximately three per cent (3%), for local use.⁴

LICENSE FEES

License fees.

There are many so-called license fees which are really taxes in disguise, that is, for automobile registration plate taxes, liquor dealers' licenses, etc. This subject must be handled separately. The correct rule should be that the State Tax Commission should determine the cost of regulating any profession or trade for which a license is required and the license fee should be based on the cost of regulating the profession or trade. This bill does not touch the social security and unemployment insurance taxes. If it is desired to repeal these laws separate bills should be drawn.

DEBT LIMIT

Debt limit.

This plan does not provide for the repeal of Article 8 Section 4 (New York State Constitution) relating to the present 10% debt limitation. It is believed this will become a dead letter, because when the entire rent of land is collected for public use, the necessity for public debt will disappear for all normal requirements.

⁴ See Federal Plan on page 9 et seq.

six years from the expiration of the terms of their predecessors in office. If a vacancy shall occur otherwise than by expiration of term it shall be filled by appointment for the unexpired term. No more than one member shall be appointed from any state. Each member shall devote his entire time to the duties of his office. Any member may, after written notice containing specification of charge and full public opportunity to be heard, be removed by the president for neglect of duty or misfeasance in office, and a member may be removed for other cause by the Senate on recommendation of the president. The chairman of the board shall receive an annual salary of Twenty-five thousand dollars and each of the other members shall receive an annual salary of Twenty thousand dollars.

§4-Powers and duties of Board.

SECTION 4. *Powers and Duties of Board.* The federal board of equalization shall make such reasonable rules and regulations not inconsistent with law as may be necessary to require the land in each local taxing district in the United States to be assessed at its full value as though unimproved and free from tax, and each intangible franchise right to be assessed at its full and actual value as though free from tax and exclusive of the value of tangible property included in such special franchise.

§5 -

SECTION 5. The amount of one per cent (1%) of the land value and of intangible franchise rights shall be collected by the local taxing authorities in each taxing district in the United States and remitted to the Treasury of the United States in such manner and at such times within each year as may be prescribed by the Treasury Department.

§6 - Abolition of taxes-first year.

SECTION 6. The following taxes upon products and processes of labor, industry and agriculture are hereby abolished and the laws relating to them repealed at the end of the first year following the passage of this act:

- a. AGRICULTURAL ADJUSTMENT ACT. (Act of 1938, Pub. No. 430, 75th Congress) Taxes and penalties on wheat, corn, cotton, rice and tobacco.
- b. PROCESSING TAX ON CERTAIN OILS. (Section 602½, Revenue Act of 1934).
- c. OLEOMARGARINE. (Sections 2300-2314 of Internal Revenue Code).
- d. BITUMINOUS COAL. (Sections 3520-3528 of Internal Revenue Code).
- e. PISTOLS AND REVOLVERS. (Sec. 2700 (a) of Internal Revenue Code).

§7 - Abolition of taxes-second year.

SECTION 7. The following taxes shall be abolished and the laws relating to them repealed at the end of the second year following the passage of this act:

- a. SUGAR. (Act of 1937, Sections 3490-3508 of Internal Revenue Code).
- b. ADMISSIONS, DUES, INITIATIONS. (Sections 1700-1704, 1710-1712 of Internal Revenue Code).
- c. SALES TAXES, AUTOMOBILE, GASOLINE, INNER TUBES, etc. (Sections 3403, 3440-3445, 3400, 3407, 3412, 3409, 3413, 3401, 3404 3405, 1650 of Internal Revenue Code).
- d. STAMP TAXES, STOCKS, BONDS, DEEDS, etc. (Sections 1800, 1801, 1902a & b, 3481-3483, 1806, 1809-1822, 1835-1839, 1807, 1809-1838, 1804, 1805 of Internal Revenue Code).

Constitutional Amendment United States of America

JOINT RESOLUTION

Proposing amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each house concurring therein), that the following amendment to the Constitution of the United States, when ratified by three-fourths of the several states, shall be valid to all intents and purposes as part of the Constitution, to wit:

The Congress shall have power to levy and collect taxes on the value of any and all land in and on the value of any and all intangible franchise rights throughout the United States, or any place subject to their jurisdiction, without apportionment among the several states, and without regard to any census or enumeration.

Enabling Legislation United States of America

AN ACT to provide revenue for the government of the United States and to promote the general welfare by taking the value of land and intangible public franchise rights in taxation and repealing taxes on the products of labor, industry and agriculture.

BE IT ENACTED by the Senate and House of Representatives of the United States of America in Congress assembled as follows:

SECTION 1. Beginning in the year next succeeding the passage of this act and thereafter there shall be assessed and paid annually into the Treasury of the United States for the use of the government one per centum of the full value of all land and intangible public franchise rights within the United States and any place subject to their jurisdiction.

§1-

SECTION 2. *Definition of land.* The term land shall comprise all natural resources, inclusive of the surface of the earth and all natural substances and powers on, in or over it but exclusive of improvements.

§2-Definition of land.

SECTION 3. *Federal Board of Equalization.* There is hereby established a federal board of equalization consisting of three (3) members appointed by the president by and with the advice and consent of the Senate, one of whom shall be designated by the president as chairman of the Board. In the event of a vacancy in the chairmanship of the board the president shall designate a successor or other member of the board as chairman. The members first appointed shall hold office for two, four and six years respectively from January first of the year in which they were appointed. Their successors shall be appointed for full terms of

§3-Federal Board of Equalization.

SECTION 8. The following taxes shall be abolished and the laws relating to them repealed at the end of the third year following the passage of this act:

§8 - Abolition of taxes-third year.

- a. CAPITAL STOCK TAX. (Under Section 1200 of Internal Revenue Code).
- b. DECLARED VALUE EXCESS PROFITS TAX. (Sections 600-604 of Internal Revenue Code).
- c. UNJUST ENRICHMENT OR WINDFALL TAX. (Chapter 2, Subchapter D of Internal Revenue Code).
- d. EXCESS PROFITS ON ARMY CONTRACTS, AIRCRAFT. (Vinson Act) (Section 14 of Act of April 3, 1939).
- e. EXCESS PROFITS ON NAVY CONTRACTS. (Act of June 25, 1936, 49 Stat. 1926, 34 U. S. C. Sup. IV, 496).
- f. NATIONAL FIREARMS ACT. (Sections 2720-2733 of Internal Revenue Code).
- g. TOBACCO STAMP TAX. (Sections 2000-2181 of Internal Revenue Code).
- h. ALCOHOLIC BEVERAGE OCCUPATIONAL TAX. (Sections 2800-3181, 3250-3255 of Internal Revenue Code).
- i. EXCISE TAXES ON FACILITIES, TELEPHONES, TELEGRAMS, etc. (Sections 3465-3474 of Internal Revenue Code).

SECTION 9. All import duties shall be abolished and all the laws relating thereto shall be repealed at the end of the fourth year following the passage of this act.

§9 - Abolition of import duties.

SECTION 10. The following taxes shall be progressively reduced until eventually abolished and the laws providing for them repealed whenever the revenue from the taxes on land and intangible franchise values is found sufficient to meet all budgetary requirements:

§10 - Income and inheritance taxes.

- a. INCOME TAXES, PERSONAL AND CORPORATION. (Act of 1940).
- b. TAX ON TRANSFERS TO AVOID INCOME TAX. (Section 1250 of Internal Revenue Code).
- c. ESTATE TAX, INHERITANCES. (Sections 800-938 of Internal Revenue Code).
- d. GIFT TAX, UPON TRANSFERS OF PROPERTY BY GIFT, etc. (Sections 1000-1031 of Internal Revenue Code).

SECTION 11. This act shall take effect immediately.

Local Administrative Bills

Local acts, to conform to the Federal and State laws heretofore proposed, can readily be framed after a study of existing local statutes. Therefore, no model for a local administrative bill is included in this Legislative Framework. The American Association for Scientific Taxation will gladly cooperate with any person or group who wishes to draw up such a local bill.

A LEGISLATIVE FRAMEWORK
FOR THE PHILOSOPHY OF HENRY GEORGE

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Committee

WALTER FAIRCHILD

HARRY C. MAGUIRE

CHARLES JOS. SMITH

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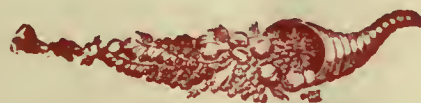
March—April, 1941

Land and Freedom

An International Journal of the Henry George Movement Founded in 1901

The Current Tax Scene
Latest Developments and Problems

Greece
Her Economic Background
Pavlos Giannelia



The Land of Plenty
A Playlet in Six Acts
Henry J. Foley

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March—April, 1941

Vol. XLI, No. 2

WHOLE No. 225

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WHAT LAND AND FREEDOM STANDS FOR

We declare:

That the earth is the birthright of all Mankind
and that all have an equal and unalienable right
to its use.

That man's need for the land is expressed by
the Rent of Land; that this Rent results from the
presence and activities of the people; that it arises
as the result of Natural Law, and that it there-
fore should be taken to defray public expenses.

That as a result of permitting land owners to
take for private purposes the Rent of Land it
becomes necessary to impose the burdens of tax-
ation on the products of labor and industry, which
are the rightful property of individuals, and to
which the government has no moral right.

That the diversion of the Rent of Land into
private pockets and away from public use is a
violation of Natural Law, and that the evils aris-
ing out of our unjust economic system are the
penalties that follow such violation, as effect fol-
lows cause.

We therefore demand:

That the full Rent of Land be collected by the
government in place of all direct and indirect
taxes, and that buildings, machinery, implements
and improvements on land, all industry, commerce,
thrift and enterprise, all wages, salaries and in-
comes, and every product of labor and intellect be
entirely exempt from taxation.

That there be no restrictions of any kind imposed
upon the exchange of goods within or among
nations.

ARGUMENT

Taking the full Rent of Land for public purposes
would insure the fullest and best use of all land.
Putting land to its fullest and best use would create
an unlimited demand for labor. Thus the job would
seek the man, not the man the job, and labor would
receive its full share of the product.

The freeing from taxation of every product of
labor, including commerce and exchange, would
encourage men to build and to produce. It would
put an end to legalized robbery by the government.

The public collection of the Rent of Land, by
putting and keeping all land forever in use to the
full extent of the people's needs, would insure real
and permanent prosperity for all.

"It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with Henry George among the world's social philosophers . . . No man, no graduate of a higher educational institution, has a right to regard himself as an educated man in social thought unless he has some first-hand acquaintance with the theoretical contribution of this great American thinker."—JOHN DEWEY.

Land and Freedom

Vol. XLI

MARCH — APRIL, 1941

No. 2

Comment and Reflection

I HAVE never claimed to be a special friend of labor . . . What I stand for is equal rights for all men." These memorable words were pronounced by Henry George before an audience of workingmen, and were in reply to an intimation by the preceding speaker that George was a patron of labor. The author of "Progress and Poverty" refused to conceive of laborers as wards who needed guardians, and disowned any idea of friendship which included special rights or privileges for particular groups. Aware of the evils associated with privilege, Henry George constantly sought to instill in labor an appreciation of its inherent dignity. He did his best to discourage the paternalistic order which labor was helping to bring about in government, and which today has grown to Frankenstein proportions.

BY a seemingly curious development, the servility which seeks special favor ultimately takes on the cloak of tyranny as its objects are attained. It is the old story of the swing of the pendulum. The development of picketing illustrates this point. It began apparently as a defensive measure; it was a device for apprising the public of the "unfairness" of a particular employer in his relations with his employees. Today, aided and abetted by preferential legislation and judicial acquiescence, it has become an instrument of intimidation to coerce not only an immediate employer, but those in business far removed, and the public itself.

PICKETING is said to be justified as an expression of the freedom of speech and assembly—but this sort of unchecked "freedom" usually leads to "Stand and deliver!" The truth is, that strikes and picketing and the other devices of organized labor, are part of the distortions caused by our unsound economic system. The basis of it is indeed a "lock-out"—but not of the capitalistic variety assumed by workmen. Denied free access to the resources of the earth, workingmen, sensing that they have some rights, resort to picketing to *force* others to employ them. The "freedom" to engage in this type of activity would automatically be inoperative in a true economy of freedom. This is what Henry George had in mind when he sought to champion the dignity of labor rather than curry a debasing friendship. Certainly he would condemn all legislation sought by trades unions aiming at monopoly. He would oppose, as being contrary to the spirit of freedom, those ordinances and regulations which forbid any but union members to be employed, not only in skilled professions but in the most trivial occupations.

ANOTHER of the growing pains of a patronized labor is the so-called jurisdictional fight between the different unions. This farcical performance compels the employer, once the only conceivable "foe" of labor, to witness the internal disputes of his employees while the plant lies idle. When not brick-batting each other, the rival camps engage in petitioning the government to certify this and that in their respective favors. Here is a chance for labor to learn the lesson that paternalism is fickle, and that to depend on it is to put one's faith in princes. Perhaps there was something more than mere irritation in President Roosevelt's "A plague on both your houses" to the C.I.O. and the A.F.L. It may be that in that utterance the workman may find a clue to the distinction between the special friend of labor and the deeper friendship of Henry George.

DESPITE the errors of its ways, we cannot bring ourselves to falling out with trades-unionism. Some one has said that you cannot indict a nation; we will concede as much to the workers. Even in the matter of sit-down strikes there is reason to believe the men have not been behaving as badly as has appeared. To be sure, law-abiding citizens revolt at the spectacle of employees seizing the property of their employers. On the other hand, the men reason that sitting down on "capital" is necessary to safeguard their livelihood. Certainly the "capitalists" have done very little in educating labor to the realization that capital and labor are not antagonistic in the politico-economic sense. "Capital" signifies to labor only a conglomerous mixture of land, resources, wealth, etc. It is therefore a fact that in sit-down strikes, especially in the case of the larger industries, whose owners are not only capitalists, but landlords and monopolists withal, the workers are to a great extent ousting their employers from the possession of unearned wealth and natural resources.

NEEDLESS to say, however, the strikers are only blundering into the real cause, and while they may incidentally be challenging their employer's right to monopolize natural resources, the great truth remains obscured. The mass of workingmen do not yet realize that the primary workshop of labor is not the factory but the land. They are not aware that a much more grievous "sit-down" is being perpetrated by the owners of the earth and its resources. What a great force for progress would be released if mankind's heritage were truly understood and the idea of sitting down on "capital" were translated into more intelligent action!

The Current Tax Scene

Some Reflections on Taxes

By GRACE ISABEL COLBRON

FROM the last days of February to the middle of April, everybody is tax-conscious. John and Jane Doe are paying their income tax and are greatly interested in the reasons for the tax, what it is used for, etc. Learned professors give lectures on taxation, clubs and forums talk about taxation, leading newspapers give editorial space to the subject, and so on. Then, when the deadline for paying the income tax has passed, interest fades. John and Jane Doe go about their usual occupations, serene in the notion that their "tax troubles" are over for the year. Seldom do they realize that part of every dollar they spend is taken by half-hidden "nuisance taxes."

Unfortunately, the concern shown by the plain citizen in this matter of taxation seems to center itself on how the taxes are *spent*, rather than how they are *raised*. This is odd, because I feel sure that most of these decent plain citizens, when they were quite young, heard from an admonishing father the advice, "Earn your money honestly, my son, or you'll never spend it wisely." John Doe usually does try to do just that. But he fails to realize that his community is not earning its money honestly, that it is robbing its citizens of their earnings, and not taking what is its own—the land values which the community itself creates. Not taking these values, the community has to go into John Doe's house and tax everything he owns and buys. And yet John Doe is more concerned with how his community *uses* its revenue than how it *gets* it.

John Doe goes to meetings and listens to high-sounding words about "fair tax rates based on realistic valuations," "improved methods of accounting and tax billing," "establishing fair tax schedules and property valuations." He hears about extravagant government spending. All over the country, well meaning citizens are urging government economy and improvement in tax techniques, while the values that really belong to the community are permitted to slip into private hands.

Another obstacle in the way of John Doe's understanding of the tax question is the term "real estate." To the average citizen, "real estate" means the land and improvements thereon, and frequently he thinks of it only in terms of those improvements. And so he is deceived by what we hear so often nowadays—"the tax burden on real estate." Taxpayers' Federations and similar organizations are worrying just now about this "burden." Seldom does John Doe think of

the land beneath his house, the location of which makes up a considerable part of the value of his "real estate." And seldom does he reflect that the community-created land values should bear the burden of community expenses.

I am certain that John Doe is quite aware of what makes land valuable, but he does not realize that here is the value which belongs of right to the community.

I would like to relate a story which illustrates this point. In a New England town, where I own a house and an acre of land (a town which is small in population, but stands high in taxable wealth), the fine old custom of Town Meetings is still kept up. One evening the Town Meeting concerned itself with the matter of upkeep for two handsome new buildings, senior and junior high schools, of which the town is justly proud. But the Taxpayers' Association was worrying, as usual, about the town's yearly expenses, and proposed taking ten thousand dollars off the yearly appropriation for the schools. Several worthy citizens made sentimental speeches about the value of these schools for their children, arguments which merely seemed to amuse the meeting. Then I got into the discussion and asked whether it was not possible that these two school buildings, with the opportunities they offered to parents with growing children, added at least ten thousand dollars to the yearly value of the land of the town. This caused a mild sensation, but, the hour being late, the matter was not further discussed. Later, a prominent citizen—a leading jurist—approached me, and said he wished he had thought of that argument. He cited rising land values near the schools, particularly one overgrown lot with a ramshackle building on it, unsaleable for years, and now sold for a good price—"because it was so near the schools."

John Doe understands pretty well what makes land values, but he does not see its connection with the taxation problem that bothers him. This is unfortunate, for only when all citizens understand this important question can the solution be found.

New York's Latest Assessments

THE latest official report on New York City's assessed valuation of taxable real estate was given in February, in a statement to the press by William Stanley Miller, President of the Tax Commission. (The Tax Department and the Tax Commission have been operative since the new City Charter was adopted in 1938. The former name was Department of Taxes and Assessments.)

Ever since 1904, when Lawson Purdy succeeded in his campaign to provide for the separate assessment of New York's land and improvements, such separate assessment has been a statutory requirement. However, in Mr. Miller's recent statement to the press, which is quite detailed, no distinction is made between these two radically different forms of property. Land and improvements are spoken of only under the collective name, "real estate," and the only distinction made is between the "three classes of property"—ordinary real estate, real estate of utility corporations, and special franchises. The figure given by Mr. Miller for the tentative assessed valuation of ordinary real estate, for 1941-42, was \$14,334,807,948, including the five boroughs of Greater New York.

Since no separate figures were given for land and improvements, Mr. Harry C. Maguire wrote to the Tax Commission, requesting a breakdown of the figures. In reply, he received the following figures on ordinary real estate:

<i>(Tentative Valuation for 1941-42)</i>	
Land	\$6,787,086,103
Improvements	7,547,721,845
Total	14,334,807,948

It can be seen that improvements are assessed at over \$760 millions more than land. Manhattan is the only borough where land is assessed at a higher figure than improvements. The figures in that borough are: Land, \$3,718,190,485; Improvements \$3,128,811,365; giving a total of \$6,847,001,850.

For the past ten years, New York real estate has been declining in value; and during the same period, the assessors have been assessing land at a lower figure than improvements. The assessment of land had reached its peak in 1931, when the figures were:

<i>(Valuation of Ordinary Real Estate for 1931)</i>	
Land	\$9,024,155,671
Improvements	8,737,356,696
Total	17,761,512,367

While landowners have succeeded in getting their holdings assessed lower and lower each year, and while they have succeeded in securing a tax limitation on real estate, the City's budget has been just as steadily increasing. The 1941 budget is \$677,892,134.

Until two or three years ago, a single tax on land values, in the amount of the present 2.9% on the assessed value plus 5% on the capitalized value, would have been more than ample to cover the budget. Today, such a tax on the land of ordinary real estate plus the land of utility corporations would fall about \$100 millions short of the present budget. This however, does not take into account the value of special franchises. The latest franchise figures have not been published, but it is reasonable to suppose that they would more than make up the difference.

However, as long as the proposals of Henry George are ignored, the budget will continue to rise, and landowners will continue to get lower assessments. Ironically enough, these are the very conditions that are used as arguments against a single tax on land values.

Taxes and Trucking

By ROLAND RICE

Assistant Counsel, American Trucking Associations

[An address delivered at the February meeting of the Women's Single Tax Club of Washington.]

MEMBERS of the Single Tax Club may be interested in knowing something about the trucking industry, particularly in view of the fact that motor carriage is a relatively new form of transportation. You will be interested to know that there are 3,500,000 employees in the industry throughout the United States. That is a large figure—more than three times as many as employed in any other form of transportation. Of the 4,500,000 trucks in the United States some 600,000 are for hire and subject to the Interstate Commerce Commission. Regulation, according to the Commission, is as complete as that under which the railroads operate, if not more so.

Not only does this industry serve all places that are reached by rail and water but, in addition, serves over 48,000 other towns which are not served at all by rail transportation. To all these points and places we give an expedited service carrying every type of commodity. You might be surprised to know the amount of fruit, milk, berries, fresh vegetables, etc., that are hauled to our cities by motor truck. Livestock of all descriptions moves in great quantity. Every item is included, from a thimble even to a railroad engine itself.

This group will be interested to learn that highway users paid \$1,850,000,000 in taxes in 1940. 38 per cent of all taxes in the United States are paid by highway users. In special taxes the trucks themselves, as distinguished from other types of vehicles, paid over \$430,000,000 in 1940.

One of our problems which is significant to you is the multiplicity of these taxes. If we could pay all our taxes as one; if we could pay them as ten taxes, or even as fifteen, we should be happy indeed but highway users actually pay as many as twenty-eight or thirty taxes, all types combined. We are glad to say to the single taxers, that we long for the time when taxation will be greatly simplified. What a Utopia if there were only one tax bill!

There are many barriers today to interstate transportation by motor vehicle. Some of these are tax barriers resulting from a pyramiding of an accumulation of taxes. Frequently the special license plate taxes alone required in

moving within three states will cost well over a thousand dollars. There are many instances of individual vehicles which pay \$1,500, and as high as \$2,000 a year in special taxes. You will agree that it is exceedingly difficult to perform economical transportation with this tax burden. And much of this results from the failure of the states to recognize taxes paid in other states. In other words, reciprocity is not granted by all our sovereign governments within this country, and the result must be borne very largely by the people themselves.

There are size and weight restrictions, and equipment restrictions. No truck has been made which can travel in all forty-eight states and be within all the laws. One state permits 40,000 pounds as gross load, whereas its neighbor may permit only 35,000 pounds. Some trucks may be limited to 18,000 pounds. Texas has the distinction of permitting a pay-load of only 7,000 pounds if it goes beyond a railroad station. Not many guesses are necessary to discover who supported such a proposal in the legislature of that state. What is proper in one state is improper in another, although the state line is really imaginary, and the roads as good in one as in another.

And there are efforts to Balkanize our country by setting up ports of entry that correspond with customs officers such as are known in Europe. These ports of entry embarrass and delay interstate commerce and serve to increase the burden on the ultimate consumer. We oppose them as being unnecessary, uneconomic and un-American.

(Following Mr. Rice's talk, various members of the Club stressed the advantages that would accrue to the truckers by the substitution of a single land-value tax in place of the multiplicity of taxes now imposed.)

The Tax Institute

FOR all persons and groups interested in taxation and public finance, whatever their point of view, reliable information on this subject is essential. Needless to say, facts and figures in this field of ever-growing importance is of great value to those advocating the tax reforms of Henry George.

There is an organization devoted to the work of impartially compiling and making available information on tax matters. This is the Tax Institute. "Give the people the facts, and they will determine the policies," is one of the slogans of this Institute.

The Tax Institute was until recently known as the Tax Policy League. It was organized in New York in 1932 by Harold S. Bottenheim, editor of *The American City*, and a civic leader in many fields. Mr. Bottenheim (an advocate of land value taxation) saw the need for tax research, and

secured the cooperation of Dr. Mabel L. Walker, an able student of the subject, in the venture.

Recently the Tax Policy League received a grant from the Alfred P. Sloan Foundation, and thereupon became affiliated with the Wharton School of Finance and Commerce of the University of Pennsylvania. At the same time it moved its headquarters to Philadelphia and changed its name to Tax Institute. Dr. Walker is now Director of the Institute, and Mr. Bottenheim serves on the Administrative Board, which also includes such leaders in the educational and civic worlds as Frederick L. Bird of Dun & Bradstreet, Prof. Ernest Minor Patterson and others. On the Advisory Council appear many other prominent names, such advocates of land value taxation as William E. Clement (Secretary of the Benjamin Franklin Research Society), John A. Zangerle (Auditor of Cuyahoga County, Ohio), and others.

What do national, state and local budgets amount to? What are the total tax collections? What are the principal sources of revenue? What is the public debt? What can be done about interstate trade barriers? These are a few of the questions that the Tax Institute undertakes to answer in a form which can be readily understood by the layman. The program of work is as follows:

1. Preparation of an annual compilation of tax collection findings, based on data furnished by Federal, state and local officials.
2. Publication of a monthly information bulletin, each issue related to one particular tax topic and containing notes on new tax legislation and publications.
3. Publication of a semi-monthly information sheet.
4. Organization of a national symposium once a year on some tax problem of current importance.
5. Maintenance of an information service for the purpose of answering queries of both members and non-members.

The Tax Institute has of late been directing its attention to the matter of interstate trade barriers realizing the seriousness of the development. The December 1940 symposium was on "Tax Barriers to Trade," and a book on the subject is being published by the Institute. A recent issue of *Tax Policy* (the monthly bulletin) was devoted to the question, "What can be done about interstate trade barriers?" Since Kansas, in 1933, set up "ports of entry" on major highways entering the state, and levied "tariffs" on certain types of goods seeking entry, fourteen other states have adopted the system. The Federal government has become alarmed at the situation, and is trying to cope with it. *Tax Policy* has this to say:

"Trade barriers are an example of protectionism whereby the citizens of one governmental area seek to protect themselves from the products or services of citizens in another governmental area. Such protectionism interferes with the

free flow of trade and tends to make prices of protected goods and services higher than they would otherwise be. The smaller the area and population around which these protective barriers are set up, the greater the handicap to consumers is likely to be. The archetype of trade barriers is the tariff on foreign products.

"In recent years a complex mass of restrictive taxes and regulations has been imposed by the states and local governments. This development has now reached such a stage as to cause serious concern to citizens in this country who see in this process the disintegration of the United States as a great free trade area within its own boundaries."

In an address at the Tax Institute symposium on trade barriers, Prof. F. Eugene Melder of Clark University described the "vicious circle" leading to the resort to interstate barriers:

"Unstable economic conditions cause state revenue sources to dry up and, at the same time, cause state functions to be expanded. The states then tax consumers with high consumer taxes, which encourage consumers to seek means of evasion or force curtailment of their purchases. Then the states must tax again to prevent evasion, and to protect their revenues, with the result that the free flow of goods in interstate commerce tends to be impeded, it becomes more difficult to do business, and business conditions tend to become more unstable, as larger portions of consumer purchasing power are drained off in regressive forms of taxation. The circle is completed in that unstable business conditions arise from state attempts to increase stability of revenues."

Another recent issue of *Tax Policy* was devoted to Debt Limits. "What has been the value of debt limits?" is asked in this issue, and the answer follows:

"Well, just about that of the Maginot Line. Taxpayers have concentrated on what they thought was an impregnable fortress and then gone to sleep behind it. The practice of writing rigid debt and tax limits into state constitutions is, to a large extent, an example of civic laziness. It is easier to write in constitutional limits, which will (it is fondly hoped) take care of the problem of governmental extravagance once and for all, than to be bothered with the constant attention to governmental problems and constant adjustment to changing conditions. Hence limitations are written into the constitution. But when they become unworkable, means of escape are added; then new limits are set up; and so on and on until finally the network of regulations affecting local financing becomes a crazy patchwork in which it is practically impossible for the citizen (or even the governmental official or research bureau for that matter) to discover what is what."

Tax Policy compiled from headlines in the *New York Times* the rise in the public debt during the last decade. The picture looks like this:

Dec. 31, 1933—PUBLIC DEBT RISES TO \$23,534,115,771

June 17, 1934—PUBLIC DEBT GOES BEYOND 1919 PEAK—\$27,005,438,125 TOTAL

Jan. 4, 1935—PUBLIC DEBT HITS AN ALL-TIME HIGH FIGURE AT \$28,478,663,924

Dec. 2, 1935—DEBT OVER \$30,000,000,000

Mar. 12, 1936—PUBLIC DEBT RAISED TO \$31,400,000,000

June 30, 1936—GOVERNMENT DEBT NEARLY \$34 BILLION

Dec. 14, 1936—FEDERAL DEBT SET AT \$34,232,200,000

Mar. 3, 1937—NATION'S DEBT RISES TO \$34,600,780,711

June 18, 1937—THE NATIONAL DEBT ABOVE \$36 BILLION

Apr. 2, 1939—FEDERAL DEBT GOES PAST \$40,000,000,000

Jan. 4, 1940—DEBT \$41,942,456,008 ON DEC. 31

July 4, 1940—NATION'S DEBT NOW IS \$42,967,000,000

Sept. 19, 1940—DEBT PASSES \$44 BILLION BEFORE DEFENSE LOANS

Dec. 21, 1940—FEDERAL DEBT PASSES THE OLD \$45-BILLION LIMIT

And so the Tax Institute proceeds in its attempt to take the mystery out of our complicated tax structure. As one of the members, Mark Eisner, humorously put it, "Our role must be . . . to reveal the system in all its creaking nakedness so that all may gaze at it—and know it—and perhaps even do something about it."

The idea behind all this is that it is the duty of citizens in a democracy to keep informed on public finance—that it is their concern. Says Dr. Walker: "In a totalitarian government the dictator can dispose of people's lives, labor and money as he sees fit, and public information on taxes and expenditures would be of little use, even if it could be made available. But in a democracy where the citizens have the ultimate responsibility for the financing and administration of government, accurate and unbiased information is fundamental to the efficient functioning of democracy. If the Tax Institute can furnish such information in ever-increasing measure to an ever-increasing number of citizens, it will have performed a useful function."

• • •

THE art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least possible amount of hissing.

JEAN BAPTISTE COLBERT

The Power to Tax

The U. S. Supreme Court Reverses Itself to Oblige the Landlords

By J. RUPERT MASON

ON February 10, 1941, unnoticed by most newspapers, the U. S. Supreme Court denied a petition for a rehearing in the case of *Pacific National Bank v. Merced Irrigation District*, an event which involves fundamental economic and governmental policies far beyond the immediate facts. It marks the complete abandonment by our highest Court of the doctrine of dual sovereignty, as it had been interpreted by that Court in scores of previous decisions, ever since *McCulloch v. Maryland* (1819).

In a nutshell, it means that the sovereign power of the States to tax the value of land is no longer sovereign, but is subject to interference, regulation and control by Congress. The decision of the Supreme Court in *Pollock v. Farmers Loan & Trust Co.*, which holds that Congress cannot tax land values, except subject to the rule of apportionment (which means Congress cannot tax real estate), is still in effect and has not been modified in the least by any subsequent opinions. But, although Congress cannot tax the rental value of land, it can now interfere with the right and duty of a State to tax land values, where the State has authorized one of its governmental agencies to borrow money and pledge the future revenues from taxes as security for the money borrowed.

In *Ashton v. Cameron County* the Supreme Court in 1937 held squarely that the Constitution grants the Congress no such power, under any clause in the Federal Constitution, and that "Neither consent nor submission by the States can enlarge the powers of Congress." The Court also said in the *Ashton* decision, "Our special concern is with the existence of the power claimed—not merely the immediate outcome of what has already been attempted . . . The power 'to establish . . . uniform laws on the subject of bankruptcies,' can have no higher rank or importance in our scheme of government than the power 'to lay and collect taxes.' Both are granted by the same section of the Constitution, and we find no reason for saying that one is impliedly limited by the necessity of preserving independence of the States, while the other is not."

The Merced Irrigation District of California, which petitioned for bankruptcy under the Bankruptcy Act, refused to accept the *Ashton* decision as binding on it, and took its case to the Supreme Court, which denied the Merced District's petition.

But landlordism never gives up. It was no time until the forces were set in motion to get Congress to amend the

Bankruptcy Act regardless of the fact that the Supreme Court held in the *Ashton* case that Congress was wholly without any power under the Constitution to subject the taxing power of the State to the Bankruptcy clause in the Federal Constitution. With brief hearings in one Committee only, and without debate or even a record vote in the House, the amendment (11 USCA 401-404) was gotten through the Congress and signed by the President. It omitted any mention of State consent, while the former law did call for State consent. The first test case under the new law was decided against the Federal Government by the U. S. District Court, and the Government appealed direct to the Supreme Court. The lower Federal Court construed the *Ashton* decision as controlling, but the Supreme Court, with several New Deal appointees, made an about face and reversed the District Court, in *U. S. v. Bekins*. They held the amended Act "not unconstitutional". Soon thereafter, the Act was further amended by Congress to include counties and certain other taxing units of a State, in addition to cities, school, road, irrigation and other districts already included.

This second amendment was signed by the President in 1940 (HR 9139).

Almost immediately, a number of counties, cities and districts of many kinds began filing petitions under the amended Act, mainly those of Florida and California, where the aftermath of the land speculators was heaviest. The new Act differed chiefly from the first in that it had a "separability" clause. Thus, the Court might hold the Act valid as to some units of a State, and invalid as to others. Meanwhile the Supreme Court in California ruled for the first time that all the functions of its Irrigation Districts are considered "Exclusively Governmental", and that each such District and all its properties constitute an indestructible "Public Trust" (Enclave) owned by the State, and that the full rental value, present and future of the land, or as much as may be necessary to repay money lawfully borrowed, is decreed a part of that "Public Trust". Hence if there is any kind of local government that cannot be brought under bankruptcy, it was clear that these districts or "Enclaves" would be held immune. But the Court in finally refusing a hearing, on Feb. 10, 1941, has closed our last chance. The landlords, having lost out in the *Ashton* case, can now get the ground rent, and the State must step down for them.

So the rule now stands, as interpreted by our Supreme Court, that although Congress is without any power to tax land values, it has the power to put the dead hand (mortmain) on the power and duty of a State to levy and collect taxes on land values, where the State has pledged such taxes as the security for money borrowed by its Governmental agencies.

Also it is now the rule, under existing decisions, that although the Congress has no power to tax the interest from

county, city or district bonds, it has the power to destroy the bonds.

In the Ashton case the Court said: "The difficulties arising out of our dual form of government, and the opportunities for differing opinions concerning the relative rights of the state and national governments are many; but for a very long time this Court has adhered steadfastly to the doctrine that the taxing power of Congress does not extend to the States or their political subdivisions. The same basic reasoning which leads to that conclusion, we think, requires like limitation upon the power which springs from the bankruptcy clause." The Bekins decision, hereinbefore cited, upsets this, utterly.

In the Federalist Essays (No. XXXII) by Hamilton it was recognized that the individual States would "possess an independent and uncontrollable authority to raise their own revenues" on adoption of the Constitution. The only reference to Bankruptcy in any of the Federalist Essays is in No. XLII as follows: "The power of establishing uniform laws of bankruptcy is so intimately connected with the regulation of commerce, and will prevent so many frauds where the parties or their property may lie or be removed into different States, that the expediency of it seems not likely to be drawn into question."

It is difficult to imagine a State removing its lands to another State, or being in any sense a "party" intended to be reached by that paragraph. Surely, it was never meant to include the sovereign power of a State to levy and collect taxes on the value of land. But the present members of our Supreme Court have interpreted the Bankruptcy Clause in the Constitution to be broad enough to include the taxing power of the State.

Obviously, given this new power, the landlords have little to fear from any tax on land values they deem too heavy. With their influence in local government circles, they will seldom if ever experience difficulty in getting local politicians to side with them, and we may confidently expect to see local governments petitioning for bankruptcy whenever the tax rate is thought by the private collectors of ground rent to be too heavy.

IN a study on "Urban Planning and Land Policies" recently released by the National Resources Planning Board, George A. Blair analyzes the probable effects of a graded tax on land values for municipalities. His conclusions are: 1—The burden on vacant land would reduce speculation and stimulate building. 2—The burden on business property would induce improvements of squalid buildings. 3—Tenements in larger cities would tend to be improved. 4—Home ownership would be promoted, and housing projects would be encouraged. Mr. Blair's study was based on data obtained from fifteen municipalities.

Greece

Her Economic Background

By PAVLOS GIANNELIA

ONCE again in her long history, Greece is indicating to her wavering neighbors that there is another answer than unconditional submission to be given to the all-levelling march of empire and to the threat of devastating weapons.

While the immediate outcome is still uncertain, the world has been inspired to witness a new Thermopylae, another Marathon, a second Salamina.

But these are military and political matters. Though they are more spectacular, behind them lies the economic question. What is the economic background of Greece? To understand this question, it is necessary to delve into the Greek tradition leading up to the present.

* * *

After many centuries of tithe-collecting governments, after Hammurbian, Egyptian and Mosaic legislations in the near East, after Aegean and Homeric rulings in Greece, there arose Lycurgus, the man whom the Delphic Oracle pronounced as "god rather than man." Lycurgus gave his laws to Sparta, the forerunner of totalitarian governments. The laws were a multitude of minute prescriptions, concerning not only landed property and government, but also the organization of the family, the education of the children, private life itself.

Sparta was a military community, and the Spartans constituted a permanent army. At his birth, the Spartan was examined by a council, and only if found physically fit was he given to his mother. The Spartan's birthright was 17 acres of the public land. At the age of seven his formal education began. He was introduced into a group of children who were led by a boy distinguished for his intelligence and valor. Physical training occupied the chief place in his education. Girls went through the same physical training as the boys. At twenty the Spartan entered the army; at thirty he became a citizen, but was obliged to continue his military life.

In addition to the soldiers, the mass of Spartan population consisted of *perioekes* (neighbors), who were nominally free men; *helotes*, servile peasants, though not slaves; and pure slaves, who are rarely mentioned by ancient authors. The *perioekes*, permitted to own land in certain areas, practiced agriculture, trade, the arts and manufacturing. *Helotes* were similar to the Medieval feudal tenants, not permitted to leave the land they cultivated.

Quite a different set of laws from those of Lycurgus were those of Solon, the *archon* of Athens, to whom his fellow citizens entrusted (in 594 B. C.) the formulation of laws which should reconcile the nobles and the people. Besides his more transient measure (*seisachthia*) for settling the dis-

proportionate debts of the indigent population, Solon promulgated the laws which formed the constitution of the Athenian state, the "fatherly policy" of the golden age of Greek democracy.

Plutarch relates as follows: "As Solon intended to leave the government in the hands of the well-born, and at the same time also to allow the common people to participate, he took as the basis the fortune of the citizens. First class citizens were those who produced five hundred bushels of produce; these were called *pentakosiatedimnes*. As second class citizens he chose those who were able to feed a horse, or to produce three hundred bushels; they were called 'horsemen.' The third class were called *zeugites*, and their measure was two hundred bushels. The rest were all called *thetes*; they were not allowed to rule, but could participate as hearers in the Assembly and the Tribunal."

Thus the participation in the administration of the state, its duties and the obligation to defend it, seemed fitting to Solon to rest proportionately on the landed gentry. The *pentakosiatedimnes* could aspire to the highest place in government—the position of *archon*. Their duties were to pay naval expenses, and to serve in the cavalry. The second class citizens had to furnish military equipment and also to serve in the cavalry. The third class citizens formed the infantry. From the ranks of the second and third classes came the employees of the state. All the others, the *thetes*, even the merchants and manufacturers, were land-poor or landless, and had no participation in public service, neither did they have any taxes to pay or military services to fulfill.

It can be seen that the most important qualification for sharing the duties and privileges of government was the ability to produce—*dynamenos*. Thus, the *fertility* of the land, not the extent of the property nor the investments of labor and capital, was the measure of advantages and obligations. This subtle distinction has been neglected by most economists. That Solon made the distinction is interesting from Georgeist point of view. It is also significant that Solon abolished the term *telos* (taxes), and spoke of the obligations that had to be paid to settle the budget as *litourgies* (people's works). One is reminded that modern Danish legislators avoid the term "land value taxation," and refer to the public collection of rent as *Grundskyld* (ground debt).

Once again—in the tenth century A.D.—the then Greek Asia Minor furnished a sample of the combination of military service and landownership. The Byzantine emperors Leo III, Romanos, Phogas, Tsmiskis and Basil II, settled in their conquered territory the *akrites*, those valiant warriors who helped them recapture the Eastern Roman Empire from Sicily to the Caucasus, from the Adriatic to the Indian Ocean.

This commendable sort of feudalism was accompanied by

a prohibition on large landowners to buy out the holdings of the small peasantry. Even more than that, the *allilengyon* (mutual warranty) made the large holders responsible for the arrears in taxes of their smaller neighbors, so that they were interested in the highest degree in helping these poorer fellows to make their way.

Over a thousand years later—1923—Greece delivered a blow to the Malthusian theory of overpopulation. In that year Turkey exchanged her Orthodox Greek population with the Mohammedan population of Greece. The land distribution that Greece administered for this influx of population—the sort of distribution which Henry George discouraged—is perhaps the only case in which such a method succeeded, because it was ethically motivated and was attended by economic as well as nationalistic considerations.

In other countries, land distribution and movement of peoples has failed, because there were usually little other than political motives. To quote only one example: Czechoslovakia, which distributed 28% of its land to the Czech legionnaires, increased its population by 10%; but the peasantry decreased by 1%. The bill was paid in September, 1938 and March, 1939, when the frustrated Slovakian, Polish and German populations took their revenge.

The Greco-Turk exchange of population increased the population of Greece by 47%. This resulted in a 40% increase in the corn fields, a 67% increase in the vineyards, a doubling of oil and olive crops and sheep breeding, a doubling of imports, and a tripling of tobacco crops and general exports. Notwithstanding this brilliant effect of the increase of population, the Malthusian theory is so deep-rooted in the minds of the legislators that no attempt was made to attract the Greek population of other neighboring countries, or to encourage "foreigners" who desired to settle in Greece. The attitude of the legislators also causes them to tax heavily the products of labor and to hamper trade by "protective" duties and other restrictions. If only they would return to the policy of Solon! It is perhaps a small consolation that Greece has been the first country to be officially represented at a Henry George Congress—the International Conference at Copenhagen in 1926 and at Edinburgh in 1929.*

Let us hope that Metaxas' successor, Mr. Corizis, who began his ministry by suppressing the bank-depot restrictions, will not fail to restore to Greece a fuller economic freedom after the end of the present ideological struggle. The modern form of the Solonian tradition, which Greece so sorely needs, would be a single tax on land values and free trade in its fullness.

*Mr. Giannellia was the official representative of the Greek government at these two Conferences.

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Rent and the Tax Fund

By ROBERT SCHLEY

THE PROBLEM

THE question whether the public collection of land rent would, if adopted, yield an adequate public revenue, presents one of those queer cases which sometimes occur in a controversy where neither proponents nor opponents seem able to say anything enlightening. On the one hand, the discovery of a rent fund so clearly created by society-at-large and so perfectly adapted to collection by society for its common needs, falls in so aptly with what we feel *ought* to be, that its existence seems to be a providential arrangement of nature, and the advocate of rent for revenue feels something like an irritation at the question, as though he had been asked to demonstrate the obvious. On the other hand, a hostile critic who in studying Henry George's analysis of the economic system has been irritated by the feeling that it is too thorough, too rounded—that it leaves too little necessity for independent thought—to be a sound generalization of the actual visible chaos of social conditions, cannot help wondering if the identification of public revenue with the unearned increment is not suspiciously facile; he cannot find means to refute it, but he feels that the apt presence of the rent fund may be no more than a coincidence; and in the absence of any indication of relation between the rent fund and the public revenue, that sense of a coincidence seized and exhibited as an argument, increases and buttresses his whole vague suspicion that the entire analysis is opportunist.

Some Georgeist men appear to concede the point. Professor Harry Gunnison Brown in his book, "The Economic Basis of Tax Reform," seems to lean towards the view that the rent fund may be insufficient for tax purposes. J. F. Muirhead writes in his "Land and Unemployment": "It is doubtful whether (as conditions now are) this (the belief that the land value tax would make all other taxes useless) would prove to be correct." These writers take the practically satisfactory view that it is immaterial whether the fund is fiscally adequate or not, as in any case it still remains to the community to impose what additional taxes may be necessary. But this solution fails to still the theoretical question. Is there any reason to think that the rent fund may be equal to the tax requirements of government?

Clearly, nothing short of a careful survey which calculated the actual total of land rent over a given period of time and collated this with the total public revenue for the same period, would be competent to direct an intelligent estimate upon the subject. And if such a survey showed (what is incredible) that the public revenue ex-

ceeded rent, the fact could not be held as conclusive evidence that the public collection of land rent and the abolition of all other taxes would result in a public deficit; since the disciple of Henry George holds that if this reform were instituted it would modify existing land values, increase the sum of collectible rent by increasing production, and permit important savings in governmental tax machinery.

However, in the absence of any such reliable scientific survey as a starting point, is there any line of intuitive reasoning that will reveal a ground for believing that a confiscatory tax on land rent will be sufficient for the needs of government?

THEORETICAL LINE OF APPROACH

There is, to begin with, the fact that the land lies at the foundation of the production out of which taxes must be paid in any event—access to the land is a preliminary condition in default of which production cannot occur at all; so that consequently the proprietor of the land, whether he be a private person or a government (assuming the land to be the monopoly of either), can demand and get any terms for provision of such access as he may choose to impose, short of the absolute starvation of labor and destruction of capital. A government (as the absolute owner of land), in laying a land value tax could certainly collect whatever impost, less than the total product of industry, it wanted to collect, without troubling itself about economic theory, and this tax would undoubtedly be rent, which is whatever the landowner can extract from the user of land. Public authority might, from its vantage ground as the universal landlord, exact from producers the whole substance of their production except a bare maintenance wage as the condition on which they might be allowed to get anything for themselves at all. The question here, however, is as to whether land value taxes sufficient to support government must be so extortionate as to throttle industry.

The share of the produce the government might take without hampering production more than it is now hampered is greater than the share it actually does take now; for the present burden upon production is equal to the weight of present government revenues plus that of the present revenues of landowners, and all of the tax burden that is not borne by rent must fall as a check upon production. Evidently, then, a governmental budget equal to the present one might be collected as a land value tax without impoverishing industry more than it is now im-

poverished. If the present budget is greater than the actual rent fund, then such an imposition must absorb the whole of economic rent and something besides. Nevertheless, in so absorbing the whole of rent it would have eliminated the landlord's share; and the sum which productive industry would be required to make up would be less than it now contributes by an amount equal to the rent fund.

Public revenue requirements are either less than, equal to, or greater than the rent fund. If they are greater than the rent fund, their collection through a land value tax must destroy private property in land, and their total weight upon wages and interest must be less than it is now by the amount of present land rent. If they are less than rent their full weight might be taken off industry and imposed on rent, still leaving a surplus for landowners. In either case there must result an increase in the earnings of producers. And if public revenue requirements are neither less nor greater than the rent fund, they must be equal to it.

CAN RENT BE MORE THAN THE TAX FUND?

The question of a surplus for landowners does not trouble the Georgeist—it is a condition that could be remedied by fiat. If rent exceeds public revenue, the revenue may be easily increased until the excess disappears, and in the words of Henry George, "This is so easy and natural a thing that we may take it as included in the proposal to tax land values." However, this reads like a cynical inference as to the inevitable rapacity of political bodies, and the theoretical problem remains. We may ask ourselves: If governmental demands fall short of the entire rent fund, what will be the effect of this surplus upon the distribution of wealth?

It is directly evident that any important absorption of rent by government must to that extent reduce the share of landowners and the capitalized value of their land. A piece of property formerly valued at \$10,000 because it yielded annual rent of \$500 must, if the government collected a half or three-quarters of the rent, now be accessible to capital and labor at a half or a quarter of that amount; and the result would be a net increase of that sum in the earnings of capital and labor, which would no longer be charged with that amount in general taxes.

The general reduction of land values must operate to contract the margin of production—to increase the quality and quantity of land on which labor could be exerted without payment of rent. Labor as a whole would move up a step, abandoning lands better than that the marginal worker has been using, and he in turn would move to better free land than he worked before. This increase in free land, again, would reduce the amount of taxable land from which government derived its revenue. Thereafter, each addition

to revenue requirements must be met by a further reduction in the surplus available to landholders, the further depression of land values, the increase of free land, and the consequent further enhancement of the share of the product available for capital and labor.

Still another agent in the reduction of land values must be the constant prospect of increased public expenses, which would destroy all speculative values in land. As the expectation of increased rent drives the exchange value of land up, so the expectation of diminished rent must drive the exchange value of land down. Every one who had land would want to get rid of it now for the best price it would bring, and the general short selling of land must further contract the margin of production, increase free land, and so again force an increased concentration of taxation on lands still retaining an exchange value, with a further depression of that exchange value, and on around the circle again. We may say then, that in the increasing expensiveness of progressive government and in the speculative depression of land values there may be seen the principles of a tendency connected with the Georgeist system, which, even if at the beginning it leaves a surplus of rent, must in the long run operate steadily to eliminate that surplus *until the public revenue and the rent fund approach an equality*. There is reason, then, for supposing that tax requirements probably cannot in the long run be much less than the rent fund.

CAN RENT BE LESS THAN THE TAX FUND?

Is there reason for believing that tax requirements cannot exceed the rent fund? Let us approach the matter in this way:

Henry George has shown that any improvement in the efficiency or economy of government is equivalent to an increase in the distributable product of industry. Such an increase under the existing scheme must, by the operation of the laws of distribution made clear in "Progress and Poverty", appear in the economic system as an increase in rent or the value of land. If the government remits to John Labor, tenant, working on land that yields rent, taxes in the amount of one hundred dollars a year, his situation is not thereby improved. The effect of the remission would be to increase the yield of his land by one hundred dollars; and his share of that produce is determined by the subsistence minimum accepted by Henry Margin, who works for what he can get on the best free land he can get, and since the latter pays no taxes, he gets no remission. If John Labor refuses to give up his increase, his landlord will get rid of him and call in Henry Margin, who will be glad to take the job for very little more than he is getting now.

By the functioning of this law of rent, any degree whatever of tax economy must enter the social system as an in-

crease in rent. Even if we suppose the miracle of a one hundred per cent remission of the present impost, the result of the remission could only be to add all present government revenues to the present revenues of land holders.

But the public collection of land rent has this double aspect: it is not only the imposition of a particular tax, that on land values, but it is also a hundred per cent remission of all other taxes. Since the remission of those other taxes must swell by exactly their own bulk the fund from which the new taxes are to be drawn, evidently the single tax on land values or the public appropriation of rent must yield a revenue at least equal to the present one. So long as the decreases of other taxes all enhance rents by just the amount of the decrease, the yield of a land value tax can never be less than the yield of an alternative tax. The land value tax must, indeed, yield a revenue superior to the present one by the amount of present unappropriated rent, and superior also by the difference in cost of collection; for of course the machinery necessary to collect the single tax exists already in form nearly as costly as would be necessary under the new system, while under the new system all other expensive tax machinery might be dispensed with and its cost saved.

Thus since there is reason to believe that, in the long run, rent cannot exceed public revenues under the single tax system, and reason to believe the revenues can never exceed rent under the system, it follows that the rent fund and the tax fund tend to be equal.

When the War Ends

THE fifty Members of Parliament comprising the Parliamentary Land Values Group in England have a plan to meet post-war problems, according to a letter received recently by Mrs. Anna George de Mille from R. R. Stokes, M. P. This plan is set forth in seven articles, as follows:

1. When the war ends concerted efforts will need to be made to absorb both munition workers and demobilized soldiers into productive work. This will mean embarking upon vast schemes of public works which will lead to a rise in land values in the immediate vicinity. This value, unless otherwise provided, will go to the benefit of local landlords and not to the community whose efforts will have gone to create the value. A tax on site values will meet this point.

2. Each one of these schemes will entail the purchase by the Government of greater or lesser areas of land. A tax on site values will keep the purchase price down.

3. In addition to public works, private owners of land should be made to help by putting all land to its best use. A tax on site values of all land whether used or idle will make

it unprofitable to the landlord to put any land to its wrong use or to keep it idle.

4. Vast credits will be needed to finance schemes of development. From a business point of view there will be no difficulty about obtaining such credits provided it can be shown that the benefits are going to the borrower thereby proving the means of repayment. A tax on site values will ensure that the borrower (i.e. the community) gets the benefit.

5. Slums must be removed and Garden Cities built. A tax on site values will make it impossible for slum landlords to keep filthy dwellings in the midst of towns on valuable sites: they themselves will be forced to put up modern up-to-date buildings. Equally, such a tax will keep down the purchase price of land needed for Garden Cities.

6. There need be no unemployment and no enforced poverty arising therefrom if the natural resources are used in the common interest. Until these resources are exhausted it should be possible to create a state of society wherein there are more jobs than people—at present this state is only likely to arrive in wartime—and wherein the laborer will get his fair hire. This can be brought about by freeing natural resources by the one just, quick and efficacious way: *taxing site values of all land used or unused.*

7. The Exchequer would ultimately receive at least £500,000,000 a year which now goes tax free to individual owners. Unemployment and the evils arising therefrom would disappear. There are only three ways of getting the land back for the people—confiscation, purchase or taxation. The first would be unjust to the present owners: the second would be unjust to the people who would by such a method have to pay interest on the purchase price for ever after: the third, a graduated tax over a period of years, would be unjust to no one and provision should be made *now* so that it may be made effective as soon as the war ends.

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A LITTLE insight into the land question of Puerto Rico is gained from a letter received recently by Sr. Rogelio Casas Cadilla from Sr. Miguel Guerra-Mondragon, prominent attorney of San Juan, P. R. We quote from this letter, through the kindness of Sr. Casas:

"The land question becomes more acute daily in Puerto Rico. Fortunately, a new party with pronounced agrarian principles has just been elected to the legislative chambers. Much is expected of them by every one. On the other hand, the Washington authorities do not endorse very enthusiastically our efforts to break up land monopoly and distribute the land among the greatest possible number of farmers. Only in this manner can land monopoly and absentee landlordism be killed."

The Land of Plenty

A Playlet in Six Acts

By HENRY J. FOLEY

(Copyright, 1941, by the author)

Prologue

OUR play will show you happy times
In lands of joy and plenty,
And lands where times are hard, and men
Are coarse, and comforts scanty.
Our actors are—a burly giant,
Labor is his name,
And Capital, a beauteous belle,
More gracious than her fame;
A pompous hired man who slips
Into the master's place
And gives the master's wealth away
With more than kingly grace.
And there's a villain in the play,
A man who never works,
But seizes everything in sight,
And shirks, and shirks, and shirks.

LOCALE

On the left side is a stony hill on which the Giant and the Beauteous Belle have been working hard to make a living. On the right is a Land of Plenty, with fertile fields and mines of gold, and shady woods, and rivers teeming with fish.

Act I

On the Barren Hillside.

The Giant and the Beauteous Belle attired in rags, have finished the work of a year. They have sold their scanty crops, and they are counting their money.

BEAUTEOUS BELLE. There it is, two thousand dollars, and I can't make it any more.

GIANT. I've counted it, too, and that's all I can make of it.

B. B. I don't see how I'm going to get through the coming year. I need that much for food to keep me beautiful, and I'll have to wear calico, when I look so stunning in silks.

GIANT. That's not enough to buy my meals if I have to work on this barren hillside. I'll be the champion thin man in another year. (*Viewing the scene to the right.*) But what we could do with that Land of Plenty, if we could only get into it!

B. B. Let's risk it next year.

GIANT. Not a chance. If you look closely you'll see lurking Indians among those trees. We couldn't bend over a spade without having arrows sticking out all over us. We'll get along on the barren hillside.

Enter a Steward, dressed in evening clothes.

STEWARD. Good day. I'm looking for work.

GIANT. We're trying to get away from it. But who are you, and what can you do?

STEWARD. I'm a Steward, an Agent, a Government. I get things done for my principal.

B. B. Why can't you work for yourself? Why do you have to be an Agent, or a Government?

STEWARD. I can't work. No Government that ever lived has been able to work. It couldn't stick a spade into the ground nor plant a turnip. I am only an abstraction, if you know what I mean. And still I could be very useful.

B. B. Well, Mr. Steward, how could you be useful to us if we hired you.

STEWARD. I wish you would call me "Government". Of course it means the same thing, but I like it a lot better, and it sounds more dignified.

B. B. Of course we'll call you "Government" if it makes you feel better. But tell us what you can do for us.

GOVERNMENT. Suppose I could arrange it so that you could get into the Land of Plenty. Wouldn't that be a service?

GIANT. It certainly would. But we wouldn't dare go in there. Those Indians would murder us.

Gov'T. Let me explain. For Two thousand dollars a year I could keep the place clear of Indians, and you could work there in peace.

B. B. That sounds well, but where could we get Two thousand dollars. That's all the money we have, and if we give it to you we'll starve before we get into the Land of Plenty.

Gov'T. That can be easily fixed. You can make five times as much in the Land of Plenty, and you can pay my bill out of the earnings. Just give me your note for Two thousand dollars.

GIANT AND B. B. You're hired. And don't lose a minute. Let's sign the note.

Act II

In the Land of Plenty.

Labor and Capital have been in the new place for a year. They have sold their wheat and gold and fish and fruits and are counting their money.

GIANT. (*Counting the last of the money*) \$9,800, \$9,900, \$10,000. Hurrah! What a year we've had! We're rich.

B. B. And what a difference from the barren hillside.

GIANT. And to think that we owe it all to that Government lad. We'll have to go and tell him how much we appreciate him.

The Giant seats himself on a log and looks admiringly at the Beauteous Belle.

GIANT. Come here and sit by me. (*She sits beside him.*) Did any one ever tell you you're beautiful?

B. B. (*Coyly*) I think you ask that of all the girls.

GIANT. I had mighty little time on the barren hillside to look at pretty girls. It's so easy to make a living here that I had a chance to see how pretty you are.

B. B. You're not so bad to look at yourself now. The Land of Plenty is certainly agreeing with you.

GIANT. (*Holding her hand.*) Do you think you could—
Enter a well-dressed Stranger

STRANGER. Good morning. A splendid place you have here. I hope you like it.

B. B. Like it? We love it. It's the finest spot on earth.

STRANGER. I'm glad to hear you say that. I'm the Landlord, and I've come for my rent.

GIANT. What do you mean — rent?

LANDLORD. The rent is what you pay for living here.

GIANT. Do you mean that we have to pay you for living here? Why?

LANDLORD. I'm the owner of the place. Your agent, Government, gave me title to it. You're welcome to live here, and all I want is the rent.

B. B. And how much is the rent?

LANDLORD. Let me see. Your agent told me you could make Two thousand dollars on the barren hillside. You made Ten thousand here. I only want the difference, Eight thousand. That's what my land has made. You see I'm reasonable.

B. B. We don't understand why you want Eight thousand dollars from us. What did you do for us? What do we get for our money?

LANDLORD. You got a fine place to work, where you made Ten thousand dollars instead of Two thousand.

But I'm getting tired of talk. I came for the rent, and you'll either have to give it to me or get out. My time is valuable.

GIANT. (*Advancing with clenched fists.*) You had better not waste any more of it around here.

LANDLORD. Help! Help Government!

Enter Government with a huge club, and with knives stuck in his belt.

Gov'T. What's the matter here?

LANDLORD. These people refuse to pay my rent, and they won't even get out and leave me in peaceable possession.

Gov'T. (*To Giant and B. B.*) You can't act that way. Why don't you give him his rent and move out quietly if you don't want the place?

B. B. We heard all the words you said, but they don't make sense to us. We can't see why we have to pay Eight thousand dollars to this fellow.

Gov'T. Now listen to me. This man is the legal owner of the place. He has a title which gives him possession, and I have guaranteed him his rent. If you refuse to pay, it will be my painful duty to throw you out, even if I have to use a club. You have armed me thoroughly, and I must uphold the law. And if necessary I shall have to seize your Ten thousand dollars to get the rent.

The Giant and the B. B. whisper together. The B. B. grudgingly hands over Eight thousand dollars and they take their way to the barren hillside.

Act III

The Giant and the B. B. on the Barren Hillside, sitting on the ground with their heads in their hands. They raise their heads.

B. B. I had a dreadful nightmare. I dreamed we were back on the barren hillside.

GIANT. We are. Look around you.

B. B. What happened to us?

GIANT. I don't quite know. I'm still trying to find out.

Enter Government.

Gov'T. Good morning.

GIANT. What?

Gov'T. I said "Good morning".

GIANT. Yes, that's what I thought you said.

Gov'T. I've come to make arrangements for next year. I hope you found the Land of Plenty a pleasant place, and safe to work in. You made plenty of money there.

B. B. Yes. But we don't seem to have any of it.

Gov't. But you made money there, Ten thousand dollars, and it only cost Two thousand dollars to make the place safe. And that reminds me, my note for Two thousand dollars is due, and I'll have to ask you for the money. (*The Giant and the B. B. rise, holding their heads.*)

B. B. Do you mean that you want us to pay for work you did on a place you gave away to somebody else?

Gov't. You mustn't put it as crudely as that. I only want to collect the taxes. If you had studied law and government you would know that taxes are the only way to support a government. And now I shall have to take the taxes.

Government snatches at the money bag, and the money is spilled. The three scramble for it. Government makes off with as much as he can pick up hastily, and with his clothes badly torn. The Giant and the B. B. count what is left.

B. B. \$1300, \$1400, \$1500. There goes my dream of silks and perfumes and carriages. I can't get those things on \$750.

GIANT. You'd better forget your dream of silks and carriages and \$750. The \$1500 wouldn't buy what I need to eat, and the most I can spare you is \$500.

B. B. You brute! You don't need anything but some coarse food and some cheap clothes, and I need delicate food and pretty dresses. \$500 wouldn't even cover me decently.

GIANT. Well, \$500 is all you're going to get.

The B. B. snatches at the money bag, and the Giant takes it from her. She scratches his face and pulls his hair. He throws her into a bramble bush. The money has been scattered, and they scramble for it.

Act IV

The Land of Plenty.

The Landlord, richly dressed and loaded with jewelry, is sitting at a well-stocked table under the shade of a tree. Enter Government, in torn clothes.

LANDLORD. Good morning. What's happened to you?

Gov't. I've been trying to collect taxes from the Giant and the Beauteous Belle, and they almost pulled the clothes from my back. I got only \$500.

LANDLORD. Pull out a chair and make yourself comfortable. There's plenty to eat, and you'll find this wine excellent. You'll need something to brace you up before you go after the other \$1500. (*They eat and drink, and the Landlord hands out cigars.*)

LANDLORD. Do they want the place next year?

Gov't. I didn't get that far. I was lucky to get away when I did.

LANDLORD. The Giant and the Beauteous Belle were always like that. No regard for law, and begrudging the taxes they owe their government.

Gov't. Yes, indeed. Collecting taxes is a terrible job. I hope you will make up the other \$1500. My note is overdue, and I have a reputation to keep up.

LANDLORD. My dear Government, you're fooling. You know that I have a deed to the property, because you gave it to me yourself, and the rent is mine. You are the last person in the world I should expect to hear such things from. Let's hear no more of it. You have only to raise the taxes higher next year. Have another glass of wine.

Gov't. I don't think I'll have another glass of wine, but I will have \$1500. The \$2000 note I signed was all for your benefit. Nobody but you got any good of it, and you are the one who ought to pay it all.

LANDLORD. (*Angrily*) I want to hear no more of that.

Gov't. You're going to hear a lot more of it just now. And you're going to move out, if I have to help the Giant and the Beauteous Belle to move you. In fact, the Giant would be glad to do the job alone. And what fingernails that Beauteous Belle has!

LANDLORD. Can't you see that there's no sense in my staying here if the Giant and the Beauteous Belle can refuse to pay my bills? What is a Government for except to collect taxes?

Gov't. I've had all I want of collecting taxes. Hereafter I collect my bills from you.

LANDLORD. I can do better somewhere else. Good-bye.

Act V

The Barren Hillside.

The Giant and the B. B., still in rags, are hard at work digging and hoeing. Government enters. The Giant advances brandishing a shovel, and the B. B. flourishes a hoe.

GIANT. Get out.

Gov't. Please listen.

GIANT. (*Louder*) Get out!

Gov't. Please listen to me. I've found a better way of doing things.

B. B. Let's hear what he has to say. Maybe he has something good.

GIANT. All right. But it had better be good.

Gov'T. I told the Landlord he would have to pay my bill, and that I would have nothing more to do with taxes.

GIANT. What did he say to that?

Gov'T. He left the place in disgust, and he has gone to work somewhere. The Land of Plenty is waiting for you again, and you'll have nothing to pay except my bill for expenses.

GIANT. You're hired again. Get going. But this time, don't forget who is hiring you.

Act VI

The Giant and the Beauteous Belle, wearing expensive and fashionable clothing, have finished another year's work in the Land of Plenty, and are counting their money.

B. B. \$9800, \$9900, \$10,000. Isn't that fine?

GIANT. It begins to look as if our troubles are over, and you'll be able to get your silks and perfumes and carriages. And how I will eat!

Enter, Government.

B. B. Good morning! I hope there isn't a landlord coming in behind you.

Gov'T. No fear of that. He's working somewhere now for himself.

GIANT. I hope you brought your bill with you.

Gov'T. Here it is, for \$2,000.

GIANT. (Counting) \$1800, \$1900, \$2,000. There it is, and we never paid a bill more gladly. We have \$8000 left for ourselves. This Land of Plenty is a grand place, and you're not so bad yourself.

The Giant and the Beauteous Belle and Government join hands and dance to this refrain:

Oh this is the Land of Plenty, and we have no taxes here,

We plant and harvest, sing and dance, we're happy all the year.

We pay for everything we get, and we keep all we earn,

We've lots to eat, and lots to wear, and money left to burn.

Government stands aside while the Giant and the B. B. continue the dance.

GIANT AND B. B. And this is now our wedding day, our quarrels are forgot.

GIANT. And I'll love you—

B. B. And I'll love you—

GIANT AND B. B. Till water is no longer wet, and fire's no longer hot.

A Tilt at Blackstone

That so early an American as Robert Coram should perceive clearly the injustices of our inherited land laws, at a time when land was still a glut in our young country, is noteworthy. In his little book, "A Plan for the General Establishment of Schools in the United States," first published in 1791, his clear reasoning on the befogged reasoning of the renowned jurist, Dr. Blackstone, constitutes an important contribution to Georgeist literature. Coram writes as follows:

"The only question remaining," says the Doctor, "is, how this property became actually vested, or what is it that gave a man an exclusive right to retain in a permanent manner that specific land which before belonged generally to everybody, but particularly to nobody. And as we before observed, that occupancy gave a right to the temporary use of the soil, so it is agreed upon all hands, that occupancy gave also the original right to the permanent property in substance of the earth itself, which excludes every one else but the owner from the use of it. . . . However, both sides agree in this, that occupancy is the thing by which the title was in fact originally gained, every man seizing to his own continued use such spots of ground as he found most agreeable to his own convenience, provided he found them unoccupied by any man."

But the act of occupancy is a degree of bodily labor; that is, the occupancy extends as far as the labor; or in other words, a man has a right to as much land as he cultivates, and no more; which is Mr. Locke's doctrine. This distinction is therefore absolutely necessary to determine the quantum of lands any individual could possess under the laws of nature. For shall we say, a man can possess only the ground in immediate contact with his feet; or if he climbs to the top of a mountain, and exclaims, Behold, I possess as far as I can see! shall there be any magic in the words, or in the expression, which shall convey the right of all that land, in fee simple, to him and his heirs forever? No; as labor constitutes the right, so it sensibly defines the boundaries of possession. How then shall we detest the empty sophist, who in order to establish his system of monopoly, would fain persuade us that the Almighty did not know what he was about when he made man. That he made him an animal of prey, and intended him for a polished citizen; that he gave us bounties in common to all, and yet suffered a necessity to exist by which they could be enjoyed only by a few. Had Dr. Blackstone been disposed to give his readers a true account of the origin of landed property in Europe he might have said, exclusive property in lands originated with government; but most of the governments that we have any knowledge of, were founded by conquest; property therefore in its origin, seems to have been arbitrary.

"But after all," continues the Doctor, "there are some few things, which must still unavoidably remain in common: such (among others) are the elements of light, air and water."

Thank you for nothing, Doctor. It is very generous indeed, to allow us the common right to the elements of light, air and water, or even the blood which flows in our veins. Blackstone's Commentaries have been much celebrated; and this very chapter, so replete with malignant sophistry and absurdity, has been inserted in all the magazines, museums, registers, and other periodical publications in England, and cried up as the most ingenious performance ever published. . . . We will however never believe that men originally entered into a compact by which they excluded themselves from all right to the bounties of Providence, and if they did, the contract could not be binding on their posterity; for although a man may give away his own right, he cannot give away the right of another . . . The wants of man, instead of having been lessened, have been multiplied, and that in proportion to his boasted civilization; and the fear of poverty alone is more than sufficient to counterbalance all the fears to which he was subject, in the rudest stage of natural liberty. From this source arise almost all the disorders in the body politic. The fear of poverty has given a double spring to avarice, the deadliest passion in the human breast; it has erected a golden image, to which all mankind, with reverence, bend the knee, regardless of their idolatry. Merit is but an abortive useless gift to the possessor, unless accompanied with wealth; he might choose which tree whereon to hang himself, did not his virtuous mind tell him to "dig, beg, rot and perish, well content, so he but wrap himself in honest rags at his last gasp, and die in peace." It is a melancholy reflection that in almost all ages and countries, men have been cruelly butchered, for crimes occasioned by the laws; and which they never would have committed, had they not been deprived of their natural means of subsistence. But the governors of mankind seem never to have made any allowance for poverty; but like the stupid physician who prescribed bleeding for every disorder, they seem ever to have been distinguished by an insatiable thirst for human blood. The altars of a merciful God have been washed to their foundation from the veins of miserable men; and the double edged sword of Justice, with all its formality and parade, seems calculated to cut off equally the innocent and guilty. Between religion and law, man has had literally no rest for the sole of his foot. In the dark ages of Gothic barbarity, ignorance was some excuse for the framing of absurd systems; but in the age in which Dr. Blackstone lived, he should have known better, he should have known that the unequal distribution of property was the parent of almost all the disorders of government; nay, he did know it, for he

had read Beccaria, who treating upon the crime of robbery, says,

"But this crime, alas! is commonly the effect of misery and despair, the crime of that unhappy part of mankind, to whom the right of exclusive property (a terrible and perhaps unnecessary right) has left but a bare subsistence."

[The foregoing item is the result of research work on the part of our valued correspondent, Emily E. F. Skeel.—Ed.]

American Journal of Economics and Sociology

ANOTHER publication is about to make its appearance in the rapidly expanding field of Georgeist literature. From the offices of the *American Journal of Economics and Sociology* we have received the following announcement:

"The Robert Schalkenbach Foundation announces the incorporation of the *American Journal of Economics and Sociology*. The *Journal* will be a quarterly publication devoted to scholarly papers dealing with the social sciences. The directors of the new corporation are Otto K. Dorn, Charles Johnson Post, Albert Pleydell, Harry Gunnison Brown, George Raymond Geiger, Frank Chodorov, and Will Lissner.

"The *Journal* has secured the cooperation of a group of distinguished specialists, who will act as an editorial advisory board and pass upon material intended for publication in the *Journal*. Will Lissner will be editor, and Frank Chodorov business manager; Miss V. G. Peterson of the Schalkenbach Foundation will act as secretary. The *Journal's* editorial office will be at 32 East 29th Street, New York City.

"All the collaborators in this enterprise will serve without compensation. A grant from the Schalkenbach Foundation provides for the expense of publication. The first issue of the *Journal* will appear in the autumn of 1941, and quarterly thereafter. The subscription price will be \$3.00 per annum, \$1.00 for a single issue.

"The *Journal of Economics and Sociology* will be an important innovation; it will be unique of its kind. For the first time in history there will be made available to students of economics papers by professors and economists of national and international reputation, who will discuss economic and social questions in the light of Georgeist theory. The *Journal* will not be edited for a popular readership, but rather for advanced students and scholars in philosophy, sociology, economics, and related fields.

"A publication of integrity, dignity, and genuine scholarship must eventually command the respect of the academic world, and immensely increase the prestige of the Georgeist movement. The directors are conscious of their responsibility, and fully determined to make the most of their unusual opportunity."

The Critics Criticized

By JACOB SCHWARTZMAN

[This is the third of a series of articles by the same author, dealing with the objections of noted economists to the doctrine of Henry George, and the refutation of such objections. The first in the series, published in the November-December 1940 issue, answered the objections of Prof F. W. Taussig. The second was published in the January-February 1941 issue and answered those of Prof. H. R. Seager—Ed.]

THIS article will rebut a unique attack on Henry George. It was published during the Hewitt-George campaign of 1886, and was presented as a combined series of four addresses delivered before the Young Men's Democratic Club of New York. The book is "Progress and Robbery, and Progress and Justice; an Answer to Henry George, the Demi-Communist", by J. Bleeker Miller (Baker & Taylor). I recommend this book only as a classic of asinine hostility. I consider the work worthwhile refuting, firstly because it is one of very few books devoted to the sole purpose of demolishing Henry George's philosophy; and secondly, because the arguments are so typical of modern critics (who have not modernized their criticisms of George!).

The first address is known as "A Property Owner's Answer", and roughly contains the following objections:

1—No distinction exists between real and personal property.

(a) There is no reason for the division between personal and real property, on the ground that the former is the product of man, and the latter created by God. God created personal property as certainly as he did real.

(b) Labor exerted on land requires compensation in the form of the finished product, which includes land. Otherwise, a lapidary who has cut and polished a diamond would not be entitled to the diamond itself but only to the value given by such exertion.

(c) George admits that there are improvements which in time become indistinguishable from the land itself. Therefore, compensation would not be paid to labor for digging ditches, roads, bridges, etc., while compensation would be paid to labor for building houses, barns, etc. Would that be fair or honest?

(d) Who would pay for such improvements? Would it not be the landlords, whose appropriated rent would pay for the improvements of other landlords? Literally, his greatest advance towards compensating landowners consists in robbing Peter to pay Paul.

2—Justice requires landowners keeping their land. Where was Henry George and his friends, or their ancestors, when the ancestors of the present owners fought the cold, Indians, British, etc.?

3—There are historical reasons for private ownership of land.

(a) The critic's ancestor financed his tenants while they helped clear his land. It was his capital that went into such clearing, and helped the tenants to exist.

(b) If we examine the history of landownership in England, we will see that George's theory of an original cultivation of land by a community of independent farmers is a myth, and that the new land was then also settled by some man of means, advancing to dependents the subsistence and implements required during the hard struggle of rendering land arable.

(c) Landowners of New York State were the only ones who could vote originally. It was these landowners who helped win the Revolutionary War by supplying the Continental Congress with equipment—the only one of the thirteen States of which that can be said. Still, these owners were very kind, and were indulgent to universal suffrage in New York.

(d) Washington, Franklin, Madison, Jackson, and probably every name which Americans have been taught to revere were landowners.

4—George seeks to confiscate property.

(a) Even though he says only rent will be collected, he is really attempting to do away with the private ownership of land.

(b) "Taking property" has a bad name in civilized countries; even professed criminals prefer to avoid it, and to speak of dividing the stuff, the boodle, or the swag.

5—George is a communist, demi-communist, or socialist.

(a) George says, in answering critics of Free Trade, ". . . If this is Socialism, then it is true that Free Trade leads to Socialism." This shows George's mind to be that of an illogical, unpractical, and dangerous fanatic.

(b) George is a pupil of Proudhon and Considerant, the two French communists. George practically copied Considerant's teachings, and yet people think that George was original.

The second address is known as "A Business Man's Answer:"

6—Land speculators are entitled to their profit.

(a) If investors and builders do not come to a neighborhood, can the unfortunate speculator call upon the city to take his land at what he paid for it, with fair interest? If not, why should he be obliged to surrender the profit which he has acquired by his superior foresight?

(b) Speculators do actual work in anticipating the trend of popular demand.

(c) There is no difference between the foresight of a land speculator and that of a storekeeper.

(d) A land speculator exercises better judgment in determining what land should be used than would the community as a whole.

7—To prohibit real estate profits would lead to an eventual prohibition of personal property profits. Why, George himself already mentions doing away with patent profits!

8—There are ethical arguments to justify private ownership of land:

(a) Title to all real estate could be traced to the Crown, which represents the community, and which sold it to the landlords for good consideration.

(b) Landlords had to fight to obtain and keep the land.

9—It is impossible to tax land values without taking improvements into consideration.

The third address is "A Workingman's Answer":

10—The adoption of George's Utopia would lead to a lowering of rents and an increase in improvements for the workers, which would immediately cause the employers to reduce salaries.

11—Any attempt to adopt the communistic doctrines of Henry George would cause infinite harm to the workers. It would antagonize the powers-that-be. On the other hand, if the workers were to adopt the theories of Lassalle or Karl Marx, which, all must recognize, have a certain amount of justice, the workingmen's lot would immediately improve. Henry George even opposes trade unions.

The last address is known as "Progress and Justice; or, The Work for Federalism", wherein the writer endorses the theories of Lassalle and Marx, and advocates meliorative measures, such as laws which would tend to regulate to some extent the condition, wages, and health of the workingman.

* * *

I will now endeavor to refute the above criticisms, point by point.

(1)

(a) It is true that everything in this universe owes its origin to what philosophers call the One. However, for practical purposes, we can, and should, make distinctions between land: i.e., something which lies outside of man and his products, and is untouched by human hand; and the products of man, i.e., visible, material creations upon which human labor has been expended. Land as such still remains outside of man, though man is surrounded by it, just as a deep-sea diver, who plunges through the water in search of pearls, leaves the ocean intact.

(b) The lapidary who has cut and polished a diamond certainly is *not* entitled to anything more than the value

given by such exertion. It is ridiculous to suppose otherwise. If I give my shoes to be repaired, I don't expect the shoemaker to lay claim to the shoes because of his labor. The only time the lapidary could lay claim to the diamond is when he owned it outright. But such a principle is not applicable in the case of the universe. Just imagine an aeroplane pilot claiming the cloud because he passed through it!

(c) Most improvements can be differentiated from land. If some clearing or other similar work is done upon the land, however, the tendency in time would be for the results of such labor to become blended with land itself. A man who sweeps the floor cannot presume to claim the building.

(2)

The fact that Miller's ancestors fought adverse conditions, while George's ancestors (supposedly) comfortably waited for the result before immigrating, does not essentially differentiate Miller and George. Were it otherwise, we might all lay claim to Paradise, because Adam, our common ancestor, once lived there. Nevertheless, we ourselves must prove worthy to enter Paradise!

Secondly, the contest is not between Miller and George, but between a number of landowners and the rest of the community, to the whole of which the land rightfully belongs.

Thirdly, Miller proves nothing when he speaks of these battles with hardships. Merely the fact that perhaps *my* ancestors also battled them (incidentally preserving their own lives) thereby permitting *my* existence here, is no reason why *I* should claim the earth.

I will answer in a later refutation (see 8) the contention that the owners are entitled to the land because they fought the Indians, British, etc.

(3)

(a) The fact that Miller's ancestor financed the tenants while they cleared the land is no argument. There were millions who had no capital when they came here, and who still managed to get a living from the land, and who survived without any financial help. Would the tenants need any "help" if they were free men, working on free land, and receiving all they produced?

(b) If we examine history, as is suggested, we will see that it is Miller, not George, who is advancing a myth. In primitive communities, the people worked the land jointly, and the land was owned by the community, not by any one man. But even if it were possible to find private landownership in early society, that would in no way destroy the truth of our theory.

(c) By admitting that the New York landowners were the only landowners who supported the Revolution, Miller fouls his case. Landlords as a class opposed the Revolution because they were afraid that it would result in a reversion

of land to the people. They were reassured only when the Constitution guaranteed their titles. Allowing New York landlords to keep their land merely because they supported the Revolution is like saying that some slave-owners should have kept their slaves because they supported the North, which fought for abolition of slavery.

The fact that the owners were "kind", and "allowed" suffrage is tantamount to saying we should venerate a king because he is kind, etc. This is to admit that the king could, (properly?) decide to be unkind, and forbid people to do what they want. History shows, however, that the landlords, as well as our rulers, were forced to grant universal suffrage because of popular clamor.

(d) To the example that some of our great men owned land, we can add that Washington and Jefferson owned slaves, which in no way would justify slavery. That great men often share the errors of their day is well known—but it is no justification for those errors.

(4)

(a) George never denied the motive our critic thinks he has discovered—to do away with private landownership. In fact, he makes that the solution of his problem. Even Miller could have read it if he were so minded.

(b) Land is not property; it is not something which could be owned. As a matter of fact, we could apply the epithet "taking property" to the landlords. They are the ones who "divided the boodle".

(5)

(a) Name-calling is the lowest form of debate. George in effect says, "I don't care what you call it, so long as you accept it." Taking a passage out of its context, for one's own purpose, is a familiar device and a cheap one.

(b) To call George a pupil of Proudhon is sheer nonsense. Proudhon favored confiscation of land and property; not only what man cannot own, but what man creates. George opposed Socialism; he believed in private ownership of the fruits of labor. Proudhon and other Socialists believed in a State-controlled society; George opposed State control, except insofar as the collection and administration of rent required it. Proudhon bewailed the conditions existing because of the supposed exploitation of the workers by capital; George shows that the conflict exists between landlords on the one hand, and laborers and capitalists on the other. Proudhon was the forerunner of Marx, who was a believer in totalitarianism; George was the apostle of freedom, believing in free men, free land, free trade, free initiative.

If George followed Considerant (who, according to Miller, advocated public ownership of land, but not public ownership of personal property), that is completely immaterial as far as the truth of the arguments is concerned. Spinoza followed Descartes' theories, yet his greatness is not thereby diminished. On the contrary, he is famed for coordinating

the latter's principles. Nothing in this world is new. George indeed acknowledges his indebtedness to the Physiocrats, who preceded Considerant.

(As a matter of fact, even though Considerant did distinguish between real and personal property, he was a pupil of Fourier, who believed in the cooperative phalanges, which were nothing but socialistic communities, such as the one which Considerant established in San Antonio, Texas.)

(6)

(a) This argument could have been used by the murderous Dillinger. "If I freeze outside a bank," he might have said, "and get nothing for my troubles, would the Government pay me for my pains in procuring this blackjack? If not, why should I be obliged to surrender my loot, which I have acquired by my superior foresight?"

(b) This really is the same as above. No amount of "work" by any speculator could enable him to claim something which is not his.

(c) The difference between a speculator of land and a speculator of goods (storekeeper) is in the title. A storekeeper can trace his goods to some one who had the right to pass them; but *who* owned *land* originally?

(d) This argument might be used by a kidnapper. He might claim that the parents did not know how to bring up the kidnapped child, while he did. As a matter of fact, the speculators prevent the use of the land whenever needed by members of the community. In a free society, each person may determine for himself to what use to put any object he may purchase, so long as he pays the price.

(7)

The assumption that social ownership of land would lead to social ownership of the products of labor is wholly unwarranted. The philosophy of Henry George upholds private ownership of the fruits of labor.

To do away with patent profits is not to confiscate personal property, but merely to destroy a monopoly which is a cancer upon production. As George puts it: "Every one has a moral right to think what I think, or to perceive what I perceive, or to do what I do—no matter whether he gets the hint from me or independently of me. Discovery can give no right of ownership, for whatever is discovered must have been already here to be discovered. If a man make a wheelbarrow, or a book, or a picture, he has a moral right to that particular wheelbarrow, or book, or picture, but no right to ask that others be prevented from making similar things. Such a prohibition, though given for the purpose of stimulating discovery and invention, really in the long run operates as a check upon them."

(8)

(a) The fact that one could trace title of land to a grant by the Crown would be no justification for such ownership. Firstly, the Crown represented not the community but some

pampered and tyrannical ruler whose whim could decide to whom such stolen land could go. Secondly, even the community as such cannot alienate land. It belongs to all men at all times. As George says, if the community were to deed away all the land to one individual, an infant born the next moment would have a right to a share of the rent.

(b) The fact that landlords—or their ancestors—had to fight to obtain and keep the land, is not an argument for them, but against them. It clearly traces all land to force and conquest. What was won by bloody might could not morally be passed on to future generations. Fighting, and undergoing hardships, alone, are not sufficient to lay claim to land. A robber has no right to his loot merely because he underwent considerable difficulty in killing a policeman.

(9)

It is true that land as such cannot, in political economy, be considered apart from the process of production. And it is true that the demand for land is always based upon the supposed profit to be gained from some improvement upon the land. But irrespective of how the demand for land arises, it will be a demand for the land itself, not for any improvement upon the land, and it will be that demand that determines the value of the lot. In this way, it is possible to tax land values, as distinguished from improvements upon land.

(10)

An increase in the improvements would not lower wages, but on the contrary, raise them. Miller evidently fails to understand where wages come from, but, like the little boy, imagines that food comes from the grocery. The employers as well as the employees would receive improvements, and, looking at it from Miller's point of view, we may with equal validity say that the workers would then demand higher wages because of the higher profits of their employers. However, wages do not come from capital.

Wages would rise for the following reasons: (a) Vanishing of land speculation would throw land open to use, thus raising the margin of production, thus raising wages; (b) abolition of taxation of the products of human labor would mean that much more to be distributed as wages; (c) the increased opportunities would result in a greater division of labor, and increased production, which in turn would lead to higher wages. Is it not clear that if employers were to pay employees less than the wages which they could obtain for themselves at the margin, it would pay the employees to go to work for themselves? With opportunities free, that's what they would do unless they were satisfied with their salaries.

Miller is wrong in assuming that rents would be reduced under the single-tax plan of Henry George. The greater demand for land, due to increased production and better opportunities, would raise rents throughout the world. How-

ever, since rents would be distributed in public benefits, this would be a boon to the populace instead of a curse, as it is today.

(11)

The possibility that Truth might engender a conflict between its followers and those who oppose it, is scarcely an argument against it. It is the honeyed argument of the king to his slaves that they be docile, or else they might arouse his wrath, so that he would no longer throw them crumbs.

Therefore does Miller advocate meliorative remedies, palliatives designed to take the minds of the people off the problem which really confronts them, and the solution that even "he who runs may read". The kingly crumbs shall not satisfy those who want bread. Trade unions have done nothing but perpetrate certain monopolies which thrive in our diseased community. They are organizations which breed force, which demand higher wages without stopping to consider where wages come from. In following the lanes of obstruction, they create great harm, since they prevent us from seeing the real avenue of progress.

A piece of classical irony is the final statement by Miller that George is a Communist, a fanatic, etc., one whose theories will destroy our order, and that therefore the workers should follow the theories of Karl Marx! Can it be that the powers-that-be see less danger to their privileges in Marx than in George?

The Poor Children

By VICTOR HUGO

TAKE heed of this small child of earth;
He is great; he hath in him God most high.
Children before their fleshly birth
Are lights alive in the blue sky.

In our light bitter world of wrong
They come; God gives us them awhile.
His speech is in their stammering tongue,
And his forgiveness in their smile.

Their sweet light rests upon our eyes.
Alas! their right to joy is plain.
If they are hungry Paradise
Weeps, and, if cold, Heaven thrills with pain.

The want that saps their sinless flower
Speaks judgment on sin's ministers.
Man holds an angel in his power.
Ah! deep in Heaven what thunder stirs,

When God seeks out these tender things
Whom in the shadow where we sleep
He sends us clothed about with wings,
And finds them ragged babes that weep!

An Interview with Alaska Jane

AMONG the interesting women in the Georgeist movement is Alaska Jane. Of course that is not her real name. But to her many friends—and enemies—in Alaska, Canada, New York, Washington, D. C., Kansas and points West, Mrs. McEvoy is well known as "Alaska Jane." She is an elderly 'hard-boiled' woman; that is, she insists on calling herself "hard-boiled." "I got that way from being a newspaperwoman," she says. Just the same, there is a kindly gleam in her eye.

I had a chat with Alaska Jane in the lobby of the Martha Washington Hotel in New York, where she is staying at present, right across the street from the Henry George School. In her tumultuous career, Alaska Jane was not without influence in getting this Hotel established. "When I was a girl," she said, "women could not get into New York hotels unescorted. Whenever I came East, my father would have to telegraph a hotel to permit me to register. A group of New York women campaigned for a women's hotel. I often spoke on behalf of the idea. We believe we influenced the establishment of the Martha Washington, New York's first women's hotel."

Alaska Jane was raised in Kansas. Her father was a pioneer—he was in the Comstock lode in Nevada, sold lumber via the Santa Fe trail, invested in farming land, Alaska Jane remembers her father's and her own introduction to Henry George's "Progress and Poverty." "A young musician friend of the family used to come frequently. He was organizing a musician's union, but due to the crushing power of big business, he had to do it quietly. That was about the time of the Haymarket riots. This man gave a copy of 'Progress and Poverty' to my father to read. My father's eyes were not in good condition at that time, so he asked me to read the book to him. As I did, he would pause at each passage, expounding and explaining the difficult parts. He saw it clearly. Since that time both my father and myself were confirmed Georgeists."

In those days, Alaska Jane's father had a little hotel in Kansas, at the end of Calamity Branch. "Everybody who passed through stopped at my father's place," said Alaska Jane, "because we had the only hair mattresses west of the Missouri River!" Among the distinguished visitors to his hotel were John W. Davis and "Sockless" Jerry Simpson. They were both avowed Georgeists.

"You've met quite a few distinguished Georgeists," I said. "Have you ever met Henry George himself?"

"Yes," replied Alaska Jane. "I met him at Bryan's headquarters in New York. I saw him only a few times. Once he introduced me as 'Jerry Simpson's girl.' The outstanding thing I remember was a remark he made once. He said:

'If only I had the time, I would write a book on terminology. People do not like to read words they do not understand.'"

Alaska Jane was quite active in a number of social reform movements. In Chicago there was a great convention, in which the question of the United States taking over the Philippines was discussed. Alaska Jane was the only woman at the convention who opposed this imperialistic action. As she delivered her speech, she recalls, there was vociferous applause every now and then from a corner of the convention hall. When she was through, she was approached by Louis F. Post and John Z. White, who confessed to the applauding. "You were making your points," they said, "but you were making them so fast that we applauded to stop you for a minute or two, so that the audience would have time to let them sink in!"

"You have been associated with so many reforms," I said. "I suppose you were connected with the woman's suffrage movement?"

"Yes, indeed," replied Alaska Jane. "In Kansas I was the youngest woman tagging around at the Suffrage meetings. Susan B. Anthony called me 'our orphan.' In 1898 I was President of the Young Woman's Suffrage Club of Washington, D. C. I was the official 'lamp cleaner' for all the Kansas meetings! Back in 1912 I was in the State of Washington, where I organized the women for their first vote. The state went Democratic for the first time."

Alaska Jane took her first trip to the territory that gave her her nickname in 1910. First in so many things, she was the first white woman to enter Kennicott, the copper mine. At that time she contributed a series of articles to the *New York Times* on the Pinchot-Guggenheim fight. "Ochs took everything I wrote," she said.

Alaska Jane's chief occupation in Alaska, besides the job of newspaperwoman, was in the Bureau of Education in various native villages. The natives (commonly called Indians, but wrongly so, anthropologically) learned to trust her, and she was always "scrapping" with white men on behalf of these natives. She relates this story:

"One day an Indian woman came to me and indicated that her husband, Bob Johnson, was in trouble. I followed her and found that her husband had been taken prisoner by the new Biological Agent. He had arrested the Indian for hunting bear out of season. 'You can't arrest that man,' I said, knowing that for the natives the gaming law does not hold—they must be permitted to hunt all the year round, because that's their only source of livelihood. 'Now you mind your business,' said the Agent. 'You've been running everything in Alaska, but you're not going to run my department.' Well, they took him to jail. I said to the squaw, 'I'm going

to get Bob Johnson out.' So I went to the prison and commanded the jailer to let him out. There was some lively discussion, but I won my point—it was never questioned, either!"

In his "ignorance," it would seem, the Indian cannot understand why the resources of nature should ever be untouchable. He simply will not accept a "law" that he cannot hunt what, where and when he pleases. Hence the white man has been obliged, in Alaska, to make an exception to his laws in this case. Lo, the poor Indian! unable to comprehend the benefits to be derived from the white man's laws!

Alaska Jane spent much of her time in Juneau, where she was known as a "holy terror." She explains: "The reason I made so much trouble for the politicians at their Council meetings, is that I knew the Single Tax. I could analyze everything from that point of view, and they were confounded. They hated me for it."

"Is there some connection between your reputation there and your nickname?" I inquired.

"Well," she replied, "it began this way. They were building a railroad there at that time, and from my knowledge of Single Tax I predicted that the road would cost \$100,000,000; that they would lose on upkeep. They jeered at that. Judge Walker said, 'A woman goes to pieces on figures.' Well, that road cost them \$200,000,000. But at that time I earned the name of 'Calamity Jane.'"

"Then I wrote a series of articles in a local paper. It was edited by a woman with Marxian leanings. She complained that nobody read her paper. I ventured to pep it up for her. So I wrote a lot of local, funny stuff. That gave me the name of 'Humorous Jane.'"

"On one occasion, when there was talk of building a wharf in town, I lined up with the officials for once. They were quite pleased with that, and one of them said, at a public meeting: 'You all know this woman. She's been known as Calamity Jane; and then as Humorous Jane. But tonight she's our own Alaska Jane!'"

But her agreement with the officials and politicians was the exception rather than the rule. There were more complaints than praises. At a Council meeting in Juneau, one of the men exclaimed impetuously, "I'm getting out of here. No one can run a caucus meeting with Alaska Jane present." To which Jane retorted, "Yes you can, if you'll only take the axes out of your sleeves."

At one time, a Guggenheim attorney had water pipes laid through the town of Juneau. When the town made a bid for the main, the attorney offered it to them for \$50,000. At a meeting, the officials decided they couldn't afford that amount. Next year the same line was offered for \$60,000, and was again refused. The next year the price was \$75,-

000. Then the Council began thinking it over. The matter was discussed. One of the men said, "The pipes are not in good condition." Alaska Jane said, "The condition of the pipes makes no difference. We're not buying the pipes, we're buying a franchise." "There was no franchise," said the mayor. "We just let the attorney have the streets." A lawyer said, "Alaska Jane is right. All we're buying is a franchise."

Alaska Jane is actively connected with the Women's Single Tax Club of Washington. She is the Club's President, having been elected to that office four times in succession. Indeed, Alaska Jane was one of the founders of the Club, in 1898. At present the Club is launching an organization known as the Women's National Tax Relief Association. The Women's Single Tax Club will remain the "mother" Club. The ambitious goal of the new Association is to band together 50,000 women throughout the country to "lift our national debt by the simplest and least painful method." The economic reforms advocated by Henry George will be propagated in this Association. Mrs. Walter J. White is President of the organization, Miss Alice Siddall is Treasurer, and Alaska Jane is the Chairman of the Executive Committee.

And now for the latest achievement of Alaska Jane. She has just finished compiling an exhaustive Concordance of "Progress and Poverty." This represents twenty-two months of unremitting toil, and it contains about 88,000 key words. The purpose is to be able to find the page and exact line of any important word or phrase in Henry George's great classic. It is unnecessary to point out the value of this work. It is as indispensable as a Biblical Concordance.

"How did you conceive of this idea of a Concordance?" I asked Alaska Jane.

"The idea first came to me one evening, when I was talking to an old-timer in the Georgeist movement. In the course of our conversation I used the term 'metayer system.' 'Where did you get that from?' asked this fellow. 'From "Progress and Poverty,"' I replied. 'Nonsense,' he said, 'I've been reading that book for thirty years and I never came across it.' Well, I had to prove my point, so that night I took my copy of 'Progress and Poverty' and looked for 'metayer system.' I stayed up all night and couldn't find it. Then I decided that we needed a Concordance."

Alaska Jane believes we ought to do more of this constructive work, rather than quarrel and split over doctrinal issues. She berates the "young upstarts" who "just try to upset things with their new-fangled theories."

"The real work before us," says Alaska Jane, "is to understand and propagate the philosophy of Henry George. Why can't we all pull together for that great work?"

—ROBERT CLANCY

Art and Society

By AMI MALI HICKS

MOST people are naturally shocked by the wanton destruction of the great masterpieces of art and architecture now going on in Europe. But perhaps we would not feel as keenly about this specific kind of vandalism if we had any reassurance that art as great or greater could be created in our present civilization. We would not have the same feeling of helplessness or futility. We realize, of course, that art or architecture created now would be of a different type but we do not believe that any art in present times could reach the perfection of that older workmanship or have the intense feeling for beauty it expresses. So it is true then that when we deplore the destruction of these masterpieces we are thinking rather in terms of art than in human values.

But how was it possible to create this art of the past? In the centuries when it flourished, particularly in the period of the Renaissance, there were wars followed by and preceded by conditions of poverty, destruction and famine. Then, as now, there were hordes of vandals relatively as terrible in kind if not in numbers who swept through the existing civilizations. And then as now, art had no part in the life of the average human being. The great artists of that time lived on a superstructure of want and misery. There was tyranny, poverty, besides actual human slavery which held the mass of the people in the most miserable conditions of living. But the great artists and craftsmen, Leonardo, Michelangelo, Raphael and many others almost as famous were assured of a certain economic security by royal and princely patronage. The rulers, kings and princes of both the state and church drew their incomes from the lesser nobles and the people by taxes and tribute through force and fraud. The art and architecture of those periods were created under these conditions. The monasteries where painting and sculpture were practiced by the monks were subsidized by royalty and nobility—because as they upheld the church, the clergy in turn, upheld the state. Both drew their incomes from the poor and ignorant who feared their power.

Now when we are shocked by the destruction of this great art of the past we are emphasizing the wrong values. What should really shock us is the existence of conditions in our so much later and supposedly advanced civilization which still produces hordes of vandals who increasingly destroy both life and art. So while there can be no ignoring of what is happening in Europe, we need not include ourselves emotionally in the general chaos, if we think now in constructive terms. What has happened now will continue to happen until we change conditions. It is not the result

of something which has occurred this year or last year; it is the result of world conditions which have existed for centuries, and could have no other outcome.

But there is still possible another condition of society based on economic cooperation which, through equal freedom for all, will raise the level of human values. With such a change will follow the opportunity for the expression of beauty in painting or architecture which we call art. For though our standards of beauty may change there will probably still be the necessity for some expressions of values which reach beyond the actualities of life and relate each of us to a more general consciousness.

Until we have such a society, the artist has little more than a choice between the mob and the ivory tower; between being a tool of the forces of despotism and destruction or the socially protected artist who gets a living from those who exploit the mob.

Mexican Art

IN few other countries is art linked so closely with the life of the people as in Mexico.

With the ancient pre-Columbian Mexicans, art was a direct expression of their ideals and religion. Among the concepts which were important to them were those of fertility and maternity. An oft-recurring theme in the ancient statues and reliefs was the mother and child motif. As with most other faiths, the Mexican religion held that procreation and increase in population were a blessing, not a curse.

The Spaniards brought with them the European tradition of art, as of everything else. The paintings and sculptures of the period 1600-1900 are mostly wearisome, stylistic, academic works. A refreshing relief from this art is the spontaneous and vital art of the peasants—the "Folk Art". It is the expression of those close to the soil. They painted and moulded things real to them—the abundance of nature, the life of the workers, the simple family life, their deep religious faith. Oppressed though they were, their art is now recognized as superior to that of their masters.

In the Folk Art there are hints, now and then, of discontent at the prevailing contrast between rich and poor. This murmur becomes loudly articulate in the twentieth century. It is heralded by Posada's bitter protest against oppression in his powerful wood-cuts.

The famous group of modern Mexican artists—mostly muralists—is closely associated with the Mexican Revolution. Their art bespeaks the prime importance of the land question. Diego Rivera, most prominent of the group, concentrates on the sufferings of the landless peons in his murals, and the words *TIERRA Y LIBERTAD* flare across his frescoes. His painting, "Sugar Cane," portrays clearly land-ownership as the basis of the exploitation of the peon.

“Willing to Wound, Afraid to Strike”

By DOUGLAS J. J. OWEN

THE foundations of a just peace, and expectations of a better world, continue to be favorite topics of discussion in the British press. An important example was the letter in *The Times* of December 21, signed by the Archbishops of Canterbury and York, Cardinal Hinsley and Rev. W. H. Armstrong, Moderator of the Free Churches. It is unique to have four such signatures to one document, which contained ten essential conditions of peace, the last item being: “The resources of the earth should be used as God’s gifts to the whole human race, and used with due consideration for the needs of the present and future generations.”

No one could quarrel with this somewhat abstract sentiment so long as no content is imported into it. Its value is in the recognition that there is a land question that must be settled before peace can come.

Further significance is given to the dictum by the specific suggestions for dealing with the land made by one of the signatories, Dr. Wm. Temple, D. D., Archbishop of York, in “The Hope of a New World,” a reprint of his broadcast addresses. Dr. Temple’s proposals deserve extended consideration in an American journal, not only because of the eminence of the author and his wide influence, but because his approach to land reform is so typical of British tendencies, revealing as it does, the influence of Henry George’s work whilst betraying a reluctance to accept his teaching.

The Archbishop’s premises are very near those of Henry George. He states (p. 53): “Thus in the Law of Moses purchase of land in perpetuity is forbidden, for the land belongs to God and is granted by Him to His people for their use. Now it is the Common Law of England at this moment that all the land of England belongs to the King as representing the whole community and the divinely constituted authority within it. And so-called landowners hold the use of the land but not absolute dominion”. This of course, is pure theory. In practice landowners hold, not so much the use of land, as the power to say who else shall use it and on what terms, and this power is absolute.

After stating the principle, Dr. Temple proceeds: “It must, however, be recognized that the rural landlord discharges many social functions, and ownership of agricultural land, subject to consideration of the public welfare, should not be subject to the same restrictions as ownership of industrial stocks and shares; moreover, as family tradition is in this field a valuable social asset I should personally urge the total exemption of all agricultural land from death duties.”

Verily, the voice is the voice of Jacob, but the hands are the hands of Esau. A note is appended to the chapter, suggesting that it would be quite easy to exempt from death

duties all land already exempted from local taxation as agricultural land. American readers may appreciate the fact that unused land in Great Britain, however valuable, is subject to no taxation except insofar as it is valued for death duties purposes and even then the tax is steeply graduated, so that one-tenth of an acre worth £5000 belonging to a person who had no other property would be under a small tax, whereas if this £5000 land belonged to a man who had, say, property worth £100,000 elsewhere in the country, the tax would be very high. Death duties are not the onerous burden that is often pretended, for an inheritor of a large estate may pay the death duty by selling a small strip of his estate to builders, and the payment of the duty may be spread over a number of years. In a similar way, the British Income Tax in its schedules A to E has the so-called “property tax” schedule A, excluding the value of all land which is not put to any use, however valuable it may be. It is in the rural areas with their large county estates that the disuse of valuable land has its worst social consequences, and it is this land, already free from the local taxation imposed upon rural cottage property, that Dr. Temple in his capacity as a leader of public opinion, would exempt from death duties.

Urban landlords, however, as distinct from the rural species, are to be subject to “gradual elimination . . . by drastic death duties.” Willing to wound but afraid to strike, we must be *drastic* but only *gradually*!

English single taxers have always pointed out the defects of the death duty legislation, and have had something to put in its place. Dr. Temple cannot be ignorant of this alternative to death duties and of the true application of the Law of Jubilee, for on p. 59 he says: “A vivid account of the Mosaic Legislation concerning Economics can be found in *My Neighbor’s Landmark* by Verinder, lately republished by the Henry George Foundation.” He goes on, indeed, to advocate a kind of inversion of the taxation of land values, when, after stating that he would forbid the sale of urban land except to the public authority, he proceeds: “Thus, for example, the London County Council would in course of time become the ground-landlord of London, and *could then use the ground rents for public services . . .*” (Italics mine). Can the Archbishop really be unaware of the fact that the London County Council does not want land in their area to be dealt with in this way; that, on the contrary, the L.C.C. have moved heaven and earth, as recently as 1936, to secure powers to levy “rates” (local taxation) on land values? (This was described at length by the present writer in his article, “The Battle of the Towns,” *LAND AND FREEDOM*, Nov.-Dec. 1940).

Dr. Temple’s plan, to buy first and then use the rent of

land for public purposes, is identical with all land-nationalization-by-purchase schemes, although he repudiates the land-nationalizers. We may ask all those who would take still more from the over-burdened taxpayer in order to buy land, how this accords with the principle that the resources of the earth are God's gift and that the land belongs to God.

When the Archbishop shrinks from possible identification with the Henry George cause, like Naaman at the waters of Jordan, it appears to be because he desires the "safeguarding of tradition and of family connection with agricultural land", and "the many social functions discharged by the rural landlord". This function of rural county magnates in an earlier age has been vividly described by a Conservative historian, Arthur Bryant, in "English Saga 1840-1940", in which he says:

"The real rulers of England were still the greater squires. In the course of a century and a half of monopoly and splendid unblushing corruption, they had inch by inch pared the powers both of the Crown and of the smaller squirearchy. In the latter eighteenth century, in their hunger for ever more land, they had even destroyed the English peasantry . . .

"One sees them in the tell-tale pages of Mr. Creevey; with their rentals multiplied out of all measure by improved agriculture and urban expansion but already divorced by their staggering wealth from that close contact with reality and their humbler fellow-citizens which had enabled their forebears to obtain power."

These quotations give point to my article, "County versus Country" (LAND AND FREEDOM, Sept.-Oct., 1940), and are a corrective to Dr. Temple's too generous estimate of the place of the rural landlord in the scheme of things.

It is certainly unusual for an Archbishop to descend into the economic arena with specific proposals. "The best suggestion known to me here," says Dr. Temple, "is that a general valuation of all land should be made as soon as possible, and no sale at a higher price than this, nor rent at more than a fair percentage of this, be permissible, unless it can be shown that an increase in value has been caused by the action of the landlord." This is put forth to thwart unreasonable expectations, such as that of "turning to private profit the additional value which land may acquire through the enterprise of others or through communal activity." Here is a recognition of the fact that land values are due to communal activity and also that under private ownership there are expectations and speculations in the rise of land values, confirming Henry George's chapter on "The Effect of the Expectation Raised by Material Progress," in "Progress and Poverty", Book IV. "Hence", says George, "from the fact of speculation in land, we may infer all the phenomena which mark these recurring seasons of industrial depression."

The obvious solution is ignored by Dr. Temple save for a hint about Verinder and Henry George, and in its place is set up something that reeks of the discredited Lloyd George increment legislation of 1909-10. We may take leave of the Archbishop with the most revealing quotation of all from p. 59: "But there should be no mere confiscation. The new order must not be introduced with callous indifference to reasonable expectations encouraged by the old order".

Callous indifference forsooth! Is the new order to be introduced with callous indifference to the misery, poverty and continuous robbery caused by the private monopoly of land in town and country? What about the reasonable expectations of the common people everywhere that fundamental justice shall be done and the earth made free to all on just terms?

Certainly the expectations of land monopolists have been stimulated by all the talk of new orders and reconstructions. Speculation in bombed sites is known to be rife. So much so that the Government has had to take action by setting up a Committee of five to consider as a matter of urgency the means of preventing speculation in land in bombed areas.

British followers of Henry George have not been unfaithful or unfruitful in their work. But it seems as though God had hardened the hearts of priests and rulers until, plague following upon plague, they shall at last allow the people to have an entrance into the promised land.

Land Speculation Impedes Defense

By GAULT MacGOWAN

[Reprinted from *The New York Sun*]

THE United States Government's program of building a string of air bases in the West Indies is receiving setbacks as a result of the operations of land speculators in areas adjacent to suitable sites, according to information received here (London).

It is understood that speculators operate in the guise of tattoo artists, photographers, tobacconists, dance hall operators and the usual camp followers. They flock to the neighborhood of military depots and proposed bases and buy options on acreage from the simple farmers.

The swap of destroyers for authorizations to build bases on British territory was made with the understanding that the United States would acquire the necessary land, paying suitable compensation to the local owners. While the most likely land formerly was most reasonably priced, it is understood that intelligent owners immediately boosted their prices sky high, while the land sharks besieged the unintelligent peasants, buying valuable options for a few dollars apiece. One large landowner is understood to be asking \$5,000,000 for certain territories devoted to tropical produce.

Our Canadian Letter

THE Conference of Dominion-Provincial premiers, convened in Ottawa last January to consider the report of the Rowell-Sirois Commission, split on the second day of its deliberations. Three provinces—Ontario, Alberta and British Columbia—would not enter into discussions on the basis of the plans of constitutional changes proposed in the Commission's report, so Prime Minister Mackenzie King terminated the proceedings forthwith. While official consideration of the report is shelved for the duration, it will be discussed on the hustings, for the Manitoba legislature has been dissolved, and a provincial election called for April 22nd. The Manitoba premier was the most ardent proponent for carrying the Sirois proposals into immediate effect. It is a moot question whether the findings of the Commission arose out of its report, which provides a great deal of ammunition that Georgeists can use to advantage against the present fiscal system. It is to be hoped that much of the Commission's work can be salvaged.

CANADA AND THE LEASE-LEND BILL—Parliament has resumed and is considering the war budget as this letter is written. Some opponents of the Lease-Lend Bill (now happily adopted by Congress) claimed that the United States were being asked to do more than Canada, who, it was inferred, was not nearly so altruistic towards Britain. The answer to that, of course, is that Canada has been all out in the war from the start. The government is asking Parliament for \$1,300,000,000 for war purposes alone. We do not number more than 12 million people as compared with 130 million in the United States. President Roosevelt has asked Congress for \$7,000,000,000 to implement the Lease-Lend Bill, so Canada's war effort is fairly commensurate. In addition, the normal cost of government, estimated at about \$500,000,000, must be provided for, and there are other commitments arising out of the war. Altogether the federal financing is likely to run to \$2,500,000,000 this coming fiscal year, a considerable part of which will be raised by borrowings, or through taking advantage of the provisions of the Lease-Lend Bill.

Unfortunately for Canada, our taxation system makes the load in a time of stress all the greater. A suggestion of the Henry George Society to the Finance Minister that the federal authority should levy a land value tax after the fashion of Australia and New Zealand has elicited an official reply, firstly to the effect that the government regards land value taxation as the preserve of the municipalities, and, secondly, that the Rowell-Sirois report does not recommend such taxation. If, however, that Report is to be the criterion, then the Finance Minister should abolish all consumption taxes.

THE ST. LAWRENCE SEAWAY—Negotiations regarding this huge power development project are nearing the stage

where a treaty will be signed between the United States and Canada. There is a suggestion that the Dominion government may adopt it as a war measure. Land values in the affected areas will increase, but neither the federal authority nor the provincial will get the benefit of these values under the present set-up—they will continue to be privately appropriated. The province of Ontario will have to rebuild a considerable mileage of highway due to the flooding along certain portions of the river, and several towns will have to change their sites for the same reason. Stiffening of land values is already reported in the areas to be affected.

RENTAL CONTROL—The Ontario Property Owners Association passed a resolution of protest against the "continued refusal of the Wartime Prices Board of the right of owners of residential properties to a moderate, basic return on their investments," and the Dominion Mortgage & Investments Association wants the basis of rental control to be changed and a "fair return to landlords" principle adopted. The fair return is to be based on the investment, but the questionable part of the investment may be the speculative cost of the land in some boom period. It is amazing how much urban real estate in Canada is administered by trust companies, hence the interposition of the Mortgage & Investment Association.

The Property Owners Association further deplores the "continuance of the policy . . . of encouraging war profiteering by tenants at the expense of property owners." Now that there is a boom in rooming space, the landlords inject a sour note because the tenants have a chance to make a little money, for which incidentally they furnish service, which the land speculator does not. A disgruntled landlord wrote a letter to the *Ottawa Citizen* and some of his remarks are worth perpetuating for museum purposes. "Rental control," he says, "was not invented for property owners . . . Rental control was created for a superior race, the tenant. Tenants are, in many cases, tenants that they may travel unhampered by property from place to place, taking advantage of the highest salaries." Sour grapes! —HERBERT T. OWENS.

The Antioch Review

THE first issue (Spring, 1941) of the new quarterly, *The Antioch Review*, has come to us. This excellent work is edited by a group of men at Antioch College, though it is not an official publication of that institution. The *Review* is frankly dedicated to the struggle of democracy in the present-day world and to the quest for a sane and democratic post-war reconstruction. The editorial board includes our good friend, Dr. George R. Geiger, Professor of Philosophy at Antioch. Dr. Geiger's contribution to the Spring *Review* is an article, "Philosophy and Social Change," in which he eloquently reiterates his plea that philosophy choose the course of realistic effort in making this world a better place to live in.

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

Several abridgments of "Progress and Poverty" have made their appearance in Georgeist literature. Some of these shortened versions have had wide circulation. "Significant Paragraphs from Progress and Poverty," for instance, ran into editions totaling sixteen thousand copies. It was widely used in colleges where professors did not hesitate to make it required reading because the price was low and the reading time a matter of only an hour or two. However, after years of using that book in his economics class at Missouri University, Professor Brown, compiler of "Significant Paragraphs," came to feel the need of a book which presented the argument more fully and yet demanded not over half the reading time of the unabridged work. This objective was realized last year when Professor Brown prepared "Progress and Poverty, Abridged." He has omitted the eighty page discussion of the Malthusian Theory contained in "Progress and Poverty," much of the section on the wage fund theory, and the chapters on interest. Thus, it has been possible to keep the book down to 232 pages and yet maintain a consistent march of the argument in Henry George's own words. A trial edition of this book was published last year by the Henry George School. The first large edition is now on the Foundation's press and will be ready by early April. It will retail at twenty-five cents a copy, postpaid.

It is a real privilege to announce a limited supply of "The Struggle for Justice," by that distinguished author and lecturer, Louis Wallis. The books, which have previously cost one dollar a copy, will be sold at fifty cents. In a thumbnail sketch of that most thrilling of all dramas, as old as history itself, the struggle for justice is pictured in its various phases: the period when the Hebrew race was being forged from the nomad clans of Israel and the Amorites of the walled cities of the lowlands of Canaan; the years when the barbarous tribes of Europe were being fashioned into the nations of today; the Middle Ages; the Reformation; the heightened tempo of the Nineteenth Century, down to Modern Times. "Within recent years," says Mr. Wallis, "the people have more and more turned away from the church because it has been identified with a platform which has failed to meet the increasing pressure of our time. It has denounced the shortcomings of men in their private lives; but it has not flamed with high enthusiasm for the righting of social wrongs." Mr. Wallis predicts that the struggle for justice will end with the social gospel triumphant, and the Bible, as explained by scientific scholarship, as the center of the greatest movement for justice and freedom that the

world has ever seen. One of our friends, who had purchased many copies of this book at the original dollar price, has already subscribed for twenty-five of this special fifty cent offering.

At long last we have been able to obtain a shipment of the Spanish edition of "Progress and Poverty" from Madrid. They are the first to come into this country since the Spanish civil war. German and Italian translations, which are often asked for, are unobtainable, and the time seems far distant when we shall again be able to import them.

A recent trans-Atlantic mail brought an interesting letter from Mr. Madsen of London. He asks for twenty more of our calendars, reports on the activities of the British Georgeists and says nothing, absolutely nothing, about the war. Also on that boat came a fresh supply of "The Great Iniquity," by Tolstoy, and some copies of the popular Verinder book, "My Neighbor's Landmark." This interesting book, which retails here at thirty-five cents, is a series of informative studies of the land laws of the early Jews.

Our circularizing of the normal schools throughout the country has resulted in the sale of several hundred copies of "Progress and Poverty" to instructors and professors in these important educational centers. It has also brought us requests for material for class study and evidence of a kindling interest in the whole subject of Georgean economics.

We quote from an interesting letter from a well known professor with whom we have been corresponding: "Thanks for the book you sent me and also for the calendar. I think it is about time that I gave Henry George his due and I consequently plan to include him this year in my course on economic thought."

From a friend in Texas—one who now finds an outlet for his Georgeist energies in the writing of strikingly original poetry—comes this encouraging remark: "I am much pleased with the calendar. It has the best picture of our prophet I have ever seen. I congratulate you on the selection of the quotations. Each one is as good as a sermon."

Into a letter which Dan Beard wrote us the other day, he tucked this sentence: "The trouble with us single taxers was that because we saw it so plainly, we thought everybody else could, and I have a suspicion that many of them did, and that was the reason they were so bitter in their opposition." Dan Beard, you know, is the Grand Old Man who has done so much to build the Boy Scout movement to its present size and strength.

In ordering literature or making inquiries, address Robert Schalkenbach Foundation, 32 East 29th Street, New York, N. Y.

Henry George School of Social Science

Edwin Ross, who had been occupying the position of Assistant Director at headquarters, has been transferred to Philadelphia, where he is now serving as Field Director, in the same capacity as John Lawrence Monroe in Chicago, and Teresa McCarthy in New Jersey. Plans are under way to incorporate the Henry George School of Philadelphia under the laws of the State of Pennsylvania.

At headquarters, the new Assistant Director is Miss Margaret Bateman, of Montreal, Canada. Miss Bateman considers her stay at the School a period of training, after which she will return to Canada to apply the experience she has gained to the Canadian School of Economic Science, thus following the precedent of the other Field Directors. The lady from Canada has won every one with her charm. Miss Bateman was formerly a sales promotion manager for Standard Brands. She is also one of the Directors of the Montreal School of Economic Science. A few years ago Miss Bateman toured Europe. She was especially impressed by the Folk Schools of Denmark, and it is her ambition to establish similar schools in Canada. She believes that such a venture would do much to stimulate interest in Georgeist philosophy, as indeed it has done in Denmark.

A new procedure has been adopted in the schedule of the courses in Fundamental Economics. A fifteen-week semester will start afresh every month. The classes are being staggered so that people who have missed the first two weeks of one semester will not have to wait thirteen weeks to enroll. There were about 1000 enrollments for the February classes in Fundamental Economics and 500 for the advanced courses. Mr. Paul Peach has started a class in Mathematical Statistics. He hopes to prepare his students to cope with statistical problems. About 350 enrolled for the March course. Another semester started the week of April 7th.

BERKELEY, CALIF.

Miss Helen D. Denbigh, co-leader with Miss Grace Johnston of the Berkeley Henry George School, sends us the following charming account of "A School Day Outdoors, in California":

The East Bay Extension of the Henry George School had finished all the work connected with its classes, and there was to be a short interval before the work of organizing new classes began. Miss Grace Johnston invited a little group of workers in the cause to join her in a trip along the open road, in her new Pontiac. We went by way of Berkeley over the Carquinez Bridge to the rapidly growing town of Vallejo (with the Mare Island Navy Yard at its left); then we passed through the lovely vineyard country of the Napa Valley, with its wineries and quaint houses.

About noon we arrived in Calistoga, and after lunch, set off for Healdsburg and the Russian River with its great redwoods, standing in peaceful majesty, with their towering trunks feathered by soft greenery toward the top. The Russian River is so named because

of an attempt by Russians early in California's history to found a fur-trading colony. Their fort built at Ross still stands. We followed the river's winding turns through lovely country to its mouth at Jenner. There, at sunset, we saw the fresh water meet the salt ocean on the sand bar at the river's end. Great broken earthy islets stand out from the shore. Headlands such as these are frequent on this comparatively gentle Pacific Coast.

We hurried home along the shore as night fell, passing the fishing villages and the home-coming boats, and watching lights appear in homes. A glorious day we had, spent in goodly company.

"I think our movement needs a spiritual home, and I think that home should be the School," said Oscar Geiger, on just such a lovely outdoor day spent at Mahwah River in Suffern, New York, with students and friends of the School, in June 1934. "Fellowship grows by association," said John Lawrence Monroe to me once. The interchange of ideas and companionship on such a day as this, we've found, brings forth good fruit in the working days that follow.

Manhattan Single Tax Club

President Ingersoll is chairman of a committee of four, including himself, John H. Allen, Alfred N. Chandler, and Mrs. Olive C. Sanford, which is working vigorously and systematically for the passage of the Sanford Land Value Tax Bill through the New Jersey Legislature. This is the same bill that passed the Assembly in 1939. Originally written by George L. Record, it would enable municipalities to remove in five equal annual installments the taxes on improvements and personalty, and simultaneously to increase at the same rate the tax on land values.

In the belief that this is a splendid opportunity to publicize the Georgeist philosophy, the Manhattan Single Tax Club is devoting every facility to the prosecution of this campaign. It has arranged for Mr. Harry Haase, Director of the School of Democracy, to assist in the interviewing of legislators and general propagation.

American Alliance to Advance Freedom

The Alliance has organized two groups of Georgeists, who, under the leadership of experienced teachers, are training themselves in the use of an "Outline for Discussion of Current Problems in the Light of the Philosophy of Henry George." The "Outline" was prepared by Gilbert M. Tucker, a member of the Provisional Executive Board of the Alliance. The members of these groups, when they become proficient in the use of the "Outline," will then organize and lead discussion groups of non-Georgeists in accordance with a plan for spreading Henry George's teachings.

An enthusiastic capacity crowd attended a general meeting of Georgeists called by the Alliance and held at the Hotel Collingwood, New York, on March 7th.

Another general meeting has been called for the evening of April 18th, at the City Club Building, 55 West 44th Street,

New York. The program will include a round-table discussion on the topic, "Roads to Georgeism." About half a dozen Georgeists, representing different points of view, will discuss their ideas on the best methods to advance Georgeism. All Georgeists are invited to attend. Admission is free.

Readers are invited to send for a complimentary copy of "A Proposal for Georgeist Action Now," an eloquent plea based on the writings of Henry George and an analysis of the present world situation. Address your request to: Mr. Elbert E. Josefson, Secretary, American Alliance to Advance Freedom, Suite 505, 22 West 48th Street, New York, N. Y.

The Two Commonweals

After a lapse of some time, we are happy to receive a letter from J. W. Graham Peace. He writes:

"It is now a long time since I have seen LAND AND FREEDOM. I am lost without word from American friends. The war must be the reason, I suppose.

"In case you had thought us dead, let me tell you that nearly 200 meetings were held during last year; and in spite of the blackout and numerous other inconveniences, several open air meetings have been held in central London—often interrupted by the barking of the A-A guns a few hundred yards away from our stand.

"There will be much to report when the present check (it is not a ban) is eased, and the press is restored to its former freedom. Don't misunderstand me. The censorship is voluntary—if the writer is prepared to take the consequences of any mistake he may make in judging the likely effect of his writing upon readers here or overseas."

Mr. Peace is hoping to re-establish his admirable little weekly publication, *Commonweal*, which was temporarily suspended when the war broke out. If interested in supporting this paper, communicate with Mr. J. W. Graham Peace, 6 The Close, Rayners Lane, Pinner, Middlesex, England.

Another *Commonweal* that was suspended for a while and has recently been revived, is the New Zealand publication of that name, edited by T. E. McMillan. The January-February issue contains a discussion of the New Zealand Labor Government's policy on land nationalization. A leasehold tenure has been devised, to supplant the old freehold tenure. The People's Movement, a political organization, is endeavoring to restore a true freehold system, and New Zealand Georgeists see in this an opportunity to influence the People's Movement with Henry George's proposals. If interested in the New Zealand *Commonweal*, address T. E. McMillan, Hohaia Street, Matamata, New Zealand.

Australia

In the House of Assembly elections, on March 29th, there were three candidates advocating Henry George principles. They were: Charles Hobbs, for the District of Stuart, J. P. Moore, for the District of Eyre; and our old friend, E. J. Craigie, for the District of Flinders. Mr. Craigie is a candidate for re-election, the other two being new candidates. We have not yet received the results of the voting. It will be reported in our next issue.

In the Manifesto to the Electors, the three men stand for undiluted Georgeism. To quote: "We are aware that governmental activities cannot be maintained without revenue, and we also know there is no justification for the taxation of industry until the *natural revenue* proves insufficient to meet the cost of all *necessary* government. What is this Natural Revenue? It is the *Land Rent Fund*. How is this brought into existence? Simply by the presence of the people! . . . Any student of economics knows that in the centers where there is the greatest population and where social services have been provided to the greatest extent, there also will be found the highest unimproved land values. This is because of the operation of a natural law which automatically provides a land value fund sufficient to defray the cost of necessary government services . . . Up to the present party governments have allowed this *community-created fund* to be appropriated by private individuals, and have then taxed industry to meet the cost of government; with the result that many forms of industry have broken under the strain. Are you going to allow this unjust policy to continue?"

There will also be Georgeist candidates in the May elections in New South Wales. *The People's Advocate* reports the formation of a new Georgeist party, the New Social Order Party. We quote: "The Party is a development from the Henry George School of Social Science in New South Wales. The young men associated with the School hold the opinion that political action is necessary to apply Henry George principles to the vital affairs of life, hence it is their intention to run candidates at the forthcoming elections in New South Wales next May. We wish them success in their efforts, and trust that they will be able to secure the election of a number of their members to voice sound principles in the New South Wales halls of legislature."

Argentina

A remarkable series of lectures was given by Sr. B. Maciello of Rosario, presenting in a didactic and popular way the abstruse principles of Henry George's "Science of Political Economy." The lectures, delivered at a motion picture theater, were heightened by the use of pictorial slides, illustrating the three factors of the world, the laws of production and the laws of distribution. The project was undertaken with the cooperation of the Cinematografia Colon Studios.

The Power to Exact Wages

By DR. ROYAL E. S. HAYES

A FRIEND tells me of an incident which occurred when natural gas was piped into his town. A widow complained to a morning newspaper that her landlord raised her house rent on the ground that she could pay more because of the saving in her fuel bill. "You did not supply the natural gas," she said. "What difference does that make," he retorted, "it's my house."

The significance of the incident is not that it was striking. It is that the same condition and cause, though less obvious, affects every person in the civilized world. Government through law ignorantly stifles normal competition. It gives landownership license to hold labor off the land for a price. This limits the use of land. It keeps enterprise down as well as competition. It causes high prices in general. It makes labor compete against itself. In other words, it permits the greater part of wages to disappear in the price of land.

The point in theory that I would discuss is in the comment which my friend made on the affair. He said, "When will people wake up to the fact that ground rent is a social value and belongs in the social fund?" This provokes a few other questions which I would like to ask. Is all of present ground rent a social value? Is that which the landlord extracted from the widow a social value and does it rightfully belong in the social fund? What moral right has government to legalize such "hyjacking?" What right to collect from the landlord that which he clubs from widows or others? Is it a fine thing for government to be a receiver of stolen goods? Is this something to work and pray for? If so, count me out of both.

The fact is, it is not George's proposal at all. He would starve in the streets again before he would favor such a plan. He would say that which the landlord took from the widow was her wages; that no man, official or otherwise, has a moral right to this part of her subsistence. When the landlord got the extra rent from the widow it took the form of monopoly and speculative rent. As George said, "Over and above the economic rent there is the power that comes by monopoly, which may be called monopoly rent. The power to exact that monopoly rent comes from the power to keep labor off the land."

It is clear then, that wages and its security to labor is a definite factor to reckon with in distribution. It is by all means the most important factor in livelihood. Let us therefore wake up thoroughly to the fact that as a matter of distribution, except at first to get a start, government is to collect the economic increment only, leaving the monopoly and speculative quantity in the pockets of labor as wages. Let us think more about wages and worry less about the "social fund" and "social services." Let us envision wages for what it is, not only a definite factor in distribution but the greatest and grandest economic provision of nature on earth. The fullness of life can come only through WAGES, gained through the handiwork, craftsmanship and thoughtful care of man himself, through his labor with hand and brain.

Wages! World wide and universal! What depth of human implications here! What a subject for writers, thinkers, leaders everywhere! This wisdom of George will be listened to when men have gone through the lower depths of the coming decade. The world strafing which will result from the blind struggle to escape the consequences and to overcome the legal advantages which men have built up against each other, will give us the opportunity of the age.

This light must come! But it will have to come from the original spiritual insight and fire which since George's time has dulled down to a spark. Let us fan the true spark into a great illumination! But we shall have the breath and power for that only by returning to the

original purpose of George, to elevate wages through a just distribution of wealth.

George's factual wisdom and utopian vision must be brought to all sorts and orders of people, especially to those who have suffered most from economic injustice. Let us return to the original purpose and plan. Then society will put aside the universal robbery, the exactions of legal advantages. A flood of wages will then flow over the earth so that, as George said, "The industrious will be the rich people of the future . . . That all may have leisure, comfort and abundance, not merely the necessities of life, but even of that which are now esteemed the elegancies and luxuries of life." Let us give our best thought to the problem of labor and its wages. The social fund will then almost take care of itself.

BOOK REVIEW

"A Quest for International Order," by Jackson H. Ralston. John Byrne and Co., Washington, D. C. 1941. 205 pp.

In this book, a solution to the international affairs of today is offered by a Georgeist. Permanent peace and the forces that prevent this state from being realized is the theme.

The author's solution for world affairs is in the field of International Law. In individual human relations, says the author, we have learned, to a certain degree, to distinguish right from wrong. The state, which exists for the individual, should be governed by the same laws of justice. But this lesson has not yet been learned. That this misconception (or rather, lack of conception) prevents peace is vitally demonstrated in Judge Ralston's book. It is best stated in the author's own words:

"We have in the international field the absolute want of any ideal or ultimate aim in the interest of the individual, such as prevails within the state. Our rulers have labored in the interest of an impossible object. To them the ineffable state has appeared everything. In truth, the state is a mental conception and to labor for it directly is to labor for nothing of reality. The only reality is the individuals who compose the body of the nation. International relations have not gone down to this bedrock of all law—the individual. In the study of human welfare he is not to be ignored or to find substituted for him the unreal state. We have a serious quarrel with the International Law writers who fail to recognize this fundamental fact of what only by courtesy today can be called their science. We wonder they have not studied the effect of violations of right upon the individuals of a nation when its rulers violate the freedom of the vanquished."

Judge Jackson H. Ralston is well qualified by experience to offer his solution. He has been a lecturer and writer on international affairs for a great many years. He was an umpire in the Italian-Venezuelan Mixed Claims Commission.

Many topics usually discussed in connection with international peace—such as neutrality, intervention, national interests, etc.—are dealt with in the present volume. But they are subjected to a critical analysis unusual in such discussions, and the errors and deficiencies of International Law as now practised are constantly pointed out. A reading of this book will show how satisfactorily the author has performed his task.

The difficulty encountered by this type of literature is not so much the subject matter as the period in which it is written. Nations at present are not interested in a better understanding of the conflict now being waged, but only in the continuance of the conflict until victory is attained. Opinion-forming agencies are not likely to give deep reflection to the ideas expressed by Judge Ralston. But precisely for this reason his work should be given major attention.

LOUIS TAYLOR

CORRESPONDENCE

"THE PHILOSOPHY OF FREEDOM" GOES OVER

Gaston Haxo has done a wonderful job with "The Philosophy of Freedom."

HEMAN CHASE

"The Philosophy of Freedom" is a perfect mine of interest and progress in the field of economics. Mr. Haxo has given a great deal of thought to this elucidation of "Progress and Poverty," and this is quite a contribution to the cause.

WILLIAM E. CLEMENT

I like the dedication, preface, biographical sketch and introduction, with the "gems" preceding each book. I like the print, the diagrams, the binding and the cover. It is a worthy effort, and will help in the clarification of the theory set forth in "Progress and Poverty." I was very glad to see tables and footnotes bringing facts of these present years to bear upon the problem.

HELEN D. DENBIGH

I read the book with a great deal of interest and was very much impressed by the clear, concise way in which Mr. Haxo presented the subject matter of "Progress and Poverty." It ought to prove a boon to the busy, modern day student of economics.

SYLVIA KANGAS

I have found Gaston Haxo's book of very real value in teaching fundamental economics. "The Philosophy of Freedom" is a brilliantly concise piece of work which belongs in every Georgeist's brief-case. I can't imagine a more admirable adaptation of "Progress and Poverty."

A. C. MATTESON

"The Philosophy of Freedom" should be of considerable help in presenting a simplified form of scientific and practical aspects of Henry George's theory. I have placed extra copies of the book in State and City libraries.

LAWRENCE W. RATHBUN

"The Philosophy of Freedom" seems an excellent summary.

EDWIN S. ROSS

Haxo's book is indeed praiseworthy.

JOHN Z. WHITE

["The Philosophy of Freedom," by Gaston Haxo, is a study in fundamental economics adapted from Henry George's "Progress and Poverty." It is published by LAND AND FREEDOM, and may be obtained from us for \$1.00 postpaid.—Ed.]

EDITORS LAND AND FREEDOM:

For information on land and taxation in Soviet Russia, I should like to recommend my article, "The Public Finance of U. S. S. R.," in the issue of *Taxes* for 1939. All land in Soviet Russia is nationalized and there is no private trade or private industry. One must get a special license even for the sale of one's used trousers (See page 19 of my study).

I would like to give more information, but unfortunately I am terribly busy at the present time working on the Illinois Tax Reform. Northwestern University, Ill.

PROF. PAUL HAENSEL

PRAISE FOR THE LEGISLATIVE FRAMEWORK

I have read with deep interest "A Legislative Framework for the Philosophy of Henry George." It embodies proposals for legislative action that are free from the serious objections heretofore properly attributable to all similar proposals, so far as I am aware, heretofore advanced. I may add that the "Framework" itself promises to be very educational.

GEORGE L. RUSBY

I regard the "Legislative Framework" as a most admirable setting forth of the legislative procedure necessary to put the Georgeist ideas into action. To my knowledge this had never been promulgated before in so complete and adequate a form. I congratulate you on a fine piece of work.

E. W. GRABILL

The Committee on "A Legislative Framework" has rendered a real service in the preparation and printing of this careful study . . . an admirable pamphlet.

HAROLD S. BUTTENHEIM

I think the Committee has done a wonderful job in working out "A Legislative Framework." It affords excellent basis for focussing attention on the possibilities achievable by legislation of this character.

RICHARD EYRE

The "Framework"—the result, apparently, of much painstaking research—is indeed a valuable contribution at this most critical time in our history. The "Enabling Legislation", it seems to me, has been given special and very helpful study in the manner of its presentation.

W. E. CLEMENT

["A Legislative Framework for the Philosophy of Henry George" appeared as a special supplement to the January-February 1941 issue of LAND AND FREEDOM. Extra copies may be obtained free upon request.—Ed.]

MR. WILLCOX EXPLAINS HIS "CHALLENGE TO PESSIMISM"

EDITORS LAND AND FREEDOM:

One must accept with the grace he may, evidence that the purport of his argument has been missed. So with "A Challenge To Pessimism"! The latter was written to suggest that the gloom occasioned by regarding Rent as an attribute of *land* might be dispelled did unprejudiced inquiry reveal it to be an attribute only of social organization; that instead of being due to "the relative productivity of nature," it was found to be "the measure of the worth only of social and governmental advantages."

From the belief that Rent is an attribute of *land* follows naturally the ideas that Rent is paid for the use of the *land*, and that it belongs to those who, holding titles to land, mistakenly are called "landowners." On the other hand, the belief that Rent is an attribute only of social organization leads as naturally, and directly, to the ideas that Rent is paid only for artificial advantages, and that it belongs to society, whose activities provide these advantages solely that provisions of nature may be enjoyed.

Anticipating beneficial results from such an inquiry, it was asked if Georgeists agreed that those who hold titles to areas of land really were "owners of the earth—owners of climates, views, mines, forests, rivers, harbors, soils?" If Rent really was paid "because the

earth with all of its natural elements and forces *exists?*" If people really pay Rent for the use of the *land?*"

Mr. Sanford J. Benjamin replied to this article in your last issue, and said: "Whoever collects the economic Rent is the landowner, whether it is the community or an individual." I am sure I fail to grasp the intended significance of this statement, since (if Henry George's intuition that Rent belongs to society is sound) it would appear to be analogous to saying that one who embezzles, thereby becomes owner of that which does not belong to him, which I cannot believe the statement was intended to imply.

But I dissent wholly from the view that by any act can human beings become "owners" of land. I believe, as presumably do most Georgists, that no man, nor any community of men however organized, can "own" the earth or any part of it. But supposing men *could* own land, what would that have to do with Rent if Rent is not paid for the use of land, but only for the services of governments in protecting users of land in possession of the fruits of their toil and in the enjoyment of all other social advantages? What would it have to do with "landowners" (if such there be) who neither provide the land, nor the conditions which make people want to use the land or willing to pay Rent—merely title-holders, the very security of whose possession of land, and the guarantee of the validity of whose titles to land, are services of governments?

While he who obtains title to land properly may be called a "landlord," possession of title does not constitute him a "landowner," since purchase of title is not an "investment in *land*." Rent received from an "investment in land" is not comparable, either in cause or effect, to interest received from a true investment. Invested funds properly are used to finance the enterprise in which they are invested. But funds involved in an "investment in land" are not used to finance the land, they are not used to improve its quality or terrain, to increase its area, its accessibility of usefulness to the user of land or to the community; nor do they finance the social conditions which make people want to use land, or to offer (as indeed they do) to pay Rent. In fact, such disposition of these funds is a detriment to the user of land.

Thus, the idea that Rent is paid for the use only of that which is *not* land, in contradistinction to the idea that Rent is paid for the use of that which *is* land, has deeper significance than merely an interest in a "method of achievement" of governmental collection of the total Rent and the total abolition of taxation. But even as a "method of achievement," does it not afford the means to the unification of the aims and endeavors of all who strive towards the goal which none would deny to have been the goal of Henry George?

No incitement to strife over land or cause for wars would exist, were payment of Rent to governments recognized as an obligation of *every* inhabitant in proportion to the benefits which each receives at the hands of governments; instead of as "interest" to "landowners" on pseudo "investments in land." By this method appeal can be made to *every* inhabitant on a basis of business principles of the highest sanction and of *universal application*. Unifying, not divisive, its pursuit could not so much as *simulate* the nature, spirit or aspect, of an "ism" of any sort.

In contrast, can the single tax program have within itself the power of universality to disarm opposition? The "land value tax" has the appearance of a discriminatory tax, since it is a tax ostensibly imposed upon only one half of the population—that half (or less) which holds titles to areas of land in this country. It arrays the latter against the other half of the population which holds titles to none of the land of this country; one faction voting or acting in opposition to the other faction, each seemingly in its own interest, a condition promotive of antagonism and strife rather than of har-

mony and peace. For these among other reasons was it asked: "Were these truths understood and recognized by all—what man or group of men would have the face or unwisdom to precipitate a war to preserve to themselves the privilege of ignoring their obligations to society, that is, the payment of Rent in full to the government?"

Eugene, Ore.

W. R. B. WILLCOX

ANSWERS "PLEA FOR A REVITALIZED MOVEMENT"

EDITORS LAND AND FREEDOM:

Mr. Philip Rubin in his article in LAND AND FREEDOM, "A Plea for Revitalized Georgeist Movement in America", makes an eloquent apology for action and a strong plea for organization. Why have not we Georgeists in America progressed as have Georgeists in other places, like Denmark, the United Kingdom, Australia and New Zealand? asks Mr. Rubin; and he proceeds to give us the answer. According to Mr. Rubin, a small part of the blame lies in the conditions of the times prior to 1933 (prior to the New Deal?) and almost all the rest of the blame lies squarely on the shoulders of Georgeists who are "intellectual snobs", "immaculate idealists" and "dogmatists" who "are proud, oh how proud, of our virginity".

If refusing to compromise with truth earns such labels, then purists deserve them. In my opinion, the only way to make real and lasting progress here or anywhere else is to stand by our guns and preach and, above all, teach truth and nothing else. Let us not degrade our "virginity" by the corruption of Socialism (even the variety known as "moderate"), nor soil our hands amongst the racketeers. As Mr. Chodorov says, throwing out the rascals does little good: "We must get rid of rascality." All the revitalizing suggested by Mr. Rubin has been tried over and over again, by all sorts of pressure groups, for generations, and has always been a failure, because it deals with effects and not with causes, or because admittance of heresies has revolted the very people it sets out to convert. In our own day, witness Townsendism, Buchmanism, Coughlinism, Communism, etc.

I hope and trust that most Georgeists, after reflection, will not be misled by such proposals as "revitalizing," and will persist in keeping our doctrines pure.

Chicago, Ill.

MALCOLM FRANKLIN

EDITORS LAND AND FREEDOM:

We have a fine example of the source of land value on the market here. There is a mud flat on the outskirts of New Orleans (which will have to be filled in), offered to the government for a defense need—four hundred acres at \$1000 per acre—as *is*! I wrote an open letter to the *Times-Picayune*, calling this fact to the attention of our tax commissioners and asking who or what gave this land any value; but it was not printed.

I send many letters to newspapers, and try to arouse some thought on the land question, but it is quite difficult to make people think. Thinking is hard work, and to save the trouble, the average man carries standard answers on the front shelf of his mind for handy reference. Typical among the answers to a challenge on the land question are the following: "Oh, we have so much land now that we can't use; the President has to take it out of commission." "People don't want to go back to the land. Look at all those families trekking back to the cities." "We haven't any more extra land. Our frontiers are all gone." "What would be the sense in producing more, when we have to plough under now?" I really get dizzy trying to think up answers simple enough to penetrate into the "average mind."

New Orleans, La.

MONA MCMAHON

FROM THE SECRETARY OF THE YORKSHIRE & NORTHERN LAND VALUES LEAGUE

EDITORS LAND AND FREEDOM:

Your journal continues to be interesting and instructive, and I wish you great success in your work for economic freedom. We are going through hard times, but there is no lack of faith that Democracy will win in the first round in which we are now engaged. The next round will also be a hard fought one, but we work on in the hope that freedom will at last be advanced.

Kingley, England

FRED SKIRROW

EDITORS LAND AND FREEDOM:

I received a complimentary copy of LAND AND FREEDOM and was greatly impressed. Am only too glad to become a subscriber to such a great publication.

Des Plaines, Ill.

ADOLPH M. ESSER

EDITORS LAND AND FREEDOM:

The office of economics—a science—is to trace, through natural law to its rightful owner, title to wealth. This having been accomplished, the science is or should be through with the subject. If having reached that rightful owner, he, the owner, sees fit to exchange a part of that wealth for lipstick, hair oil, whiskey or whatnot, that comes under the head of his, the owner's, private business and it is not the function of economics to *justify* the transaction. If, on the other hand, that owner prefers to exchange some of his wealth in the outright purchase of a mule or a truck (capital), that also comes under the head of his private business and falls outside the scope of economics. If still, on the other hand, he prefers to exchange some of his wealth for the loan of a mule or a truck (interest), that, too, is beyond the field of economics.

The debates and fine-spun theories about interest, pro and con, which consume so much space in our Single Tax publications, does not do our reputation any good.

Memphis, Tenn.

A. B. PITTMAN

EDITORS LAND AND FREEDOM:

Can it be that "education" has the power to solve all social problems? Georgeists are fairly well-educated and intelligent. Yet, for about sixty years now, we haven't found how to make effectual the advance of the movement.

There are sincere efforts enough, like my own in distributing 100,000 choice pamphlets all over Mississippi during one year. There are foundations, clubs, organizations, periodicals, several "colonies." Why don't we advance? Can it be that in our zeal we are overlooking something?

General political campaigns beget the maximum attention and interest. Two campaigns in our movement *did* arouse large public interest, including that of the enemy. They were, the campaign of Henry George for Mayor of New York, and Luke North's Great Adventure of California. The latter was a straightforward, frank, practical, understandable land value taxation program. It was poorly financed, and yet polled nearly half of the total state vote. Had North lived and directed another campaign, it surely would have been successful.

Does this not indicate that the political method, properly planned, directed and financed, is the surest and shortest road to our objective? If so, all power and effort should be concentrated in one of the states. The campaign there should be kept up until successful at the polls. The contagion of a great political adventure spreads.

Daphne, Alabama

E. W. WALTHALL

NEWS NOTES AND PERSONALS

A FEATURE article on "The Revival of Georgeism," by Jos. H. Fichter, S. J., appears in the February issue of *The Catholic World*. In this excellent treatment, the life of Henry George is sketched, and an account given of the recent revival of general interest in his theories, with special reference to the amazing growth of the Henry George School of Social Science. In conclusion, Dr. Fichter suggests that Catholics and Georgeists may get together. "The object of both," he says, "a more reasonable distribution of wealth—would make such alignment worth striving for."

FROM A. G. Huie, Secretary of the Henry George League of New South Wales (Australia), we have received a 53-page manuscript on the interest question by Dr. Henry George Pearce. This essay is a critical analysis of Gaston Haxo's theory of interest, and is entitled "Haxometry." It is a remarkable piece of work but, unfortunately, too long to be printed in LAND AND FREEDOM. However, we would be glad to send the manuscript to any one who wishes to examine same. When finished, the manuscript can be returned to us, so that others may see it.

AN interesting debate has been running in the *Boston Traveler*, between Prof. Norman Myers of Boston University, and our good friend, Walter A. Verney. Prof. Myers started it by writing to the *Traveler*, alleging that "the single tax is as dead as a dodo," and that it is fortunate that such a fallacious doctrine should have died. Mr. Verney retorted in a subsequent issue of the *Traveler*, pointing out that the single tax is *not* dead, that it has *not* been refuted, and that there are today a host of followers of Henry George. Prof. Myers thereupon conceded that perhaps the single tax is not yet dead, but some day it will be. "Logic and reason," said the Professor, "those ancient methods which so many men unwittingly continue to use today, have provided appealing arguments for the single tax. But have the learned followers of George learned to arrive at truth through experience?" To which Mr. Verney replied by defending logic, despite its antiquity, and asserting that Georgeists most certainly rely on experience.

GEORGEISTS of Washington have been saddened by the death of Mrs. Marie Holm Heath, who for forty years labored untiringly for the Single Tax and other reforms, principally in Washington. Mrs. Heath was one of the founders of the Women's Single Tax Club of Washington, and was for a time its president. Early in life she was secretary to the well-known liberal minister and social worker, Rev. Jenkin Lloyd Jones. Later, when she became interested in the woman suffrage cause, she became secretary to Mrs. Carrie Chapman Catt. Susan B. Anthony and Anna Howard Shaw had no more loyal lieutenant. Mrs. Heath was married to William Spencer Heath.

JAMES J. SAYER, a devoted Georgeist of Portland, Oregon, died December 20, 1940. Mr. Sayer, an Englishman by birth, came to this country when he was seventeen, and for many years was active in newspaper work. He became the first paid Secretary of the Portland Association of Building Owners and Managers in 1916, and retired with a pension in 1936. He was well known to leaders in the industry throughout the country.

CHARLES JOS. SMITH has volunteered his services to the national defense program. He teaches a class of civilians on the legal aspects of the U. S. Coast Guard Auxiliary.

(Advertisement)

PROPOSAL FOR A

HENRY GEORGE COMMITTEE FOR LEGISLATIVE ACTION

* * *

Policy

We favor legislation that requires the collection by taxation of the full annual value (rent) of land and special franchise rights (exclusive of improvements), and the abolition of all other taxes.

We favor any legislation that tends in that direction, whether or not the full objective is sought at the first step.

Toward this end, "A Legislative Framework for the Philosophy of Henry George" has been prepared.

Objectives In the United States

1. Amendment to federal constitution.
2. Federal administrative laws.
3. 48 amendments, one to each state constitution.
4. 48 state administrative laws.
5. Local administrative laws in every community which has local self government in taxation.

Organization

1. A central committee.
2. State branch committees.
3. Local branch committees in all communities which levy and collect taxes.

Each committee shall be locally self governed and no branch committee shall control or be controlled by the central committee or any other branch committee.

Organization of branch committees of two or more persons is requested. The central committee will keep a roster.

State and local committees should engage local counsel to draft state and local laws. Upon request, the central committee and general counsel will aid with advice and criticism.

Reprints of "A Legislative Framework for the Philosophy of Henry George" (which appeared in LAND AND FREEDOM, January-February 1941) may be obtained upon request.

* * *

CENTRAL COMMITTEE

WALTER FAIRCHILD, General Counsel

Address the Central Committee, care of LAND AND FREEDOM
150 Nassau Street, New York, N. Y.

May-June, 1941

Land and Freedom

An International Journal of the Henry George Movement

The Story of Puerto Rico

"Isle of Enchantment"

Joseph M. Sinnott

Winning the Peace

"After the War We Must Win the Peace"

Sidney J. Abelson

Backwash of the Past

A Reply to Anne Morrow Lindbergh

Edwin S. Ross

Three Theories of Rent

"Ricardian, Neo-Ricardian and Realist"

Raymond V. McNally

YEARLY SUBSCRIPTION \$2.00

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LAND AND FREEDOM

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(Founded in 1901 by Joseph Dana Miller)

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EDITORS

CHARLES JOS. SMITH JOS. HIRAM NEWMAN
ROBERT CLANCY

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WHAT LAND AND FREEDOM STANDS FOR

We declare:

That the earth is the birthright of all Mankind
and that all have an equal and unalienable right
to its use.

That man's need for the land is expressed by
the Rent of Land; that this Rent results from the
presence and activities of the people; that it arises
as the result of Natural Law, and that it there-
fore should be taken to defray public expenses.

That as a result of permitting land owners to
take for private purposes the Rent of Land it
becomes necessary to impose the burdens of tax-
ation on the products of labor and industry, which
are the rightful property of individuals, and to
which the government has no moral right.

That the diversion of the Rent of Land into
private pockets and away from public use is a
violation of Natural Law, and that the evils aris-
ing out of our unjust economic system are the
penalties that follow such violation, as effect fol-
lows cause.

We therefore demand:

That the full Rent of Land be collected by the
government in place of all direct and indirect
taxes, and that buildings, machinery, implements
and improvements on land, all industry, commerce,
thrift and enterprise, all wages, salaries and in-
comes, and every product of labor and intellect be
entirely exempt from taxation.

That there be no restrictions of any kind imposed
upon the exchange of goods within or among
nations.

ARGUMENT

Taking the full Rent of Land for public purposes
would insure the fullest and best use of all land.
Putting land to its fullest and best use would create
an unlimited demand for labor. Thus the job would
seek the man, not the man the job, and labor would
receive its full share of the product.

The freeing from taxation of every product of
labor, including commerce and exchange, would
encourage men to build and to produce. It would
put an end to legalized robbery by the government.

The public collection of the Rent of Land, by
putting and keeping all land forever in use to the
full extent of the people's needs, would insure real
and permanent prosperity for all.

"Is it too soon to hope that it may be the mission of this Republic to unite all nations of English speech, whether they grow beneath the Northern Star or Southern Cross, in a league which, by insuring justice, promoting peace, and liberating commerce, will be the forerunner of a world-wide federation that will make war the possibility of a past age, and turn to works of usefulness the enormous forces now dedicated to destruction."—HENRY GEORGE.

Land and Freedom

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Comment and Reflection

THE only form of government under which the Georgeist reform is possible of attainment is that of democracy. But to expect any measure of success should we not be willing to make use of the processes of democracy? The opponents of Georgeist principles are certainly exploiting those facilities to the utmost; indeed, they have acted with a zeal that strongly suggests an abuse of democratic processes. Is it not about time we recognize that the activities of our adversaries have reached a stage which demands immediate counter-action?

PERHAPS of late we have been relying too much on the notion that injustice will somehow become exhausted, thereby enabling us to overtake it in hare-tortoise fashion. This is wishful thinking, for it is not in the nature of injustice to assume any such static condition in this world as we know it. Such a negative approach must be futile when pitted against a wrong which has again and again demonstrated its proficiency.

ONE of the important factors in molding laws and public opinion is our educational system. Our opponents are quite alert to all the possibilities in this field. The opportunity for their further profiting in this direction lies in the fact that many universities throughout the country are presently faced with a serious curtailment of income. This leaves them easy prey to the temptation of "endowments," "scholarships" and the like, offered by real estate groups. The most recent of these to have fastened upon institutions of higher education is the American Institute of Real Estate Appraisers. Under their sponsorship, courses are given in "professional training in real estate appraisal," both at Yale University and at the University of Southern California. With one division of the Institute on the Atlantic and the other on the Pacific coast, it would almost seem that they are applying to the propaganda of "respectable" economics the ideas gained from the pincer movements of present-day aggressors. They will probably close in on the mid-continent universities in due time. One thing is certain—whatever else may be taught in the courses, no effort will be made to point out the contradiction in the subject-term itself, *real estate*, a misnomer which confuses wealth with land.

WHILST working for land monopoly in the halls of learning, these groups are no less active in the halls

of legislation. The National Association of Real Estate Boards has concentrated its work on state legislative bodies. Their aim is to convince the law-makers of the advisability of "placing an over-all limit on the rate of a tax which may be levied upon real estate." This they glibly refer to as tax reform, and under such guise they have organized taxpayers' conferences in many states—and alas, more and more of our public school teachers are being lured by these tactics. Eventually, all states are expected to be well represented. Many of them, including New York, already have statutory tax limits on real estate. The National Association claims credit for the recent enactment of such a law by the State of Washington, and also points with pride to the recent abolition of the Florida state tax on real estate.

THE extent of this progress made by vested interests is also disturbingly apparent in a recent United States Supreme Court decision, pointed out by Mr. J. Rupert Mason in the last issue of *LAND AND FREEDOM*. The Court decided that the states' power to tax land values is no longer sovereign, but subject to interference and control by the Congress. This upsets one of our oldest traditions—the sovereignty of states. Supplied with such jurisprudence, landlordism is now able to entrench itself more firmly than ever.

THE problem with which Georgeists are confronted is how best to combat the subversive effects of these groups. There is no denying that our opponents have the "inside track." They have the benefit of courtesy generally accorded time-honored institutions, as well as a head start in recognition by legislative bodies and educational institutions. Their advantage is supported with almost unlimited monetary resources. Yet, though Georgeists have but slender material means, we cannot afford to delay any longer in making use of available opportunities, and in exerting the full force of our moral strength. Otherwise, with pressure from wealthy real estate organizations, and no counter-pressure to offset it, legislative chambers will hardly resist the ever increasing demands of entrenched monopoly. The only means by which legislators can know that the demands of landlordism are being opposed is in the existence of a vigilant, organized and articulate opposition. If we do not demonstrate that we are in the field to secure our tax reforms, we can hardly expect legislators to divine them. If democracy is worth preserving and defending, it is surely worth utilizing.

The Story of Puerto Rico

"Isle of Enchantment"

By JOSEPH M. SINNOTT

ON the nineteenth of November 1493, an armada of seventeen ships under Christopher Columbus skirted the coast of a mountainous palm-fringed island and dropped anchor in a wide, placid bay. Columbus immediately went ashore and with formal ceremonies declared the island a possession of Spain. In the typical Spanish manner of the time, he christened it San Juan Bautista—Saint John the Baptist.

Amongst the motley crowd of adventurers who watched him plant the red and gold standard of Ferdinand and Isabella in the sands was a penurious young grandee from the province of Leon whose name was Juan Ponce. He was destined to become immortal by his bravery, his adventurous spirit and his quest of the Fountain of Youth.

"Ay, Que Puerto Rico"

Columbus sailed away never to return. The youthful Juan Ponce de Leon, however, rose to rank and responsibility in the nearby island of Hispaniola. Stories were brought to him of vast amounts of gold on the neglected Island of San Juan Bautista and he secured an appointment from the Governor of the Indies to conduct an expedition there.

He landed with an army of fifty soldiers on August 12, 1508. Ponce de Leon made his way along the coast of the Island trading in friendly fashion with the natives from time to time until he came to a wide, safe harbor. Recognizing the verdant wealth of the island he was circumnavigating, he exclaimed, "*Ay, que puerto rico!*"—"Oh, what a rich port!" Years later that exclamation appropriately embodied the name of the Island, and its prior name, San Juan Bautista, became limited to the fortified city which is now the Island's capital.

The native Borinquens and Caribs whom the Spaniards found on the Island proved hospitable and peaceful, but forced labor in the service of the white man was soon installed. The Spaniards brought their system of *Encomiendas* and *Repartimientos* which has received so much unfavorable criticism from historians of the Colonial period. This system, somewhat akin to our present ward-boss politics, gave to certain favorites, who had supposedly rendered special services to the government, the possession of designated lands and a certain number of Indians. Greedy for gain, the men thus favored placed intolerable burdens on the hapless natives. Rebellion and resistance beginning with surprise attacks on their Spanish masters proved futile. In 1511 a handful of white men with their guns and gunpowder and protective armor met and defeated six thousand

Puerto Ricans. Only those natives who hid in the mountains or fled to sea survived. Of an estimated eighty thousand natives at the time of the arrival of Columbus a mere handful were left. In 1515 Licenciado Sanchez Velasquez wrote to the King: "Excepting your Highness' Indians and those of the Crown Officers there are not four thousand left."

To offset this depletion in the ranks of labor, the first slaves were brought surreptitiously to the Island from Guinea in 1510, and in 1513 their general introduction was authorized by the payment of 200 ducats per head. To suppress the smuggling of negroes, those imported legally were branded on the forehead with a hot iron—the *carimbo*. Any slave not branded could be confiscated and sold at public auction.

It has been said that "Glory, Gold and God" were the three motives that prompted Spain to its rapid conquest of what at that time was the world's most extensive empire. The return that Puerto Rico could make was rather small—gold she had but little and the gold-giving colony was the favorite in the eyes of the mother country. It was the smallest and least prepossessing of all Spain's colonies in the New World. Consequently, like our own North Atlantic coast where no gold had been found, it was neglected and received scant notice. This lack of gold and the Spaniard's distaste for slow agricultural pursuits as a means of enrichment caused the Puerto Rican colony to straggle along in misery.



(Courtesy U. S. Travel Bureau)

A JIBARO, RESTING HIS OXEN, CONTEMPLATES SAN JUAN CITY
ACROSS THE HARBOR

The Spanish Incumbency

The policy followed by Spain in conformity with the mercantilist ideas of the time was the chief obstacle to the growth of commerce and industry in Puerto Rico. In accordance with the contemporary theory, since a colony existed solely for the benefit of the mother country, that country could expect to reap the full harvest only by the enjoyment of monopolistic trade relations. Under this policy Puerto Rico could trade with a foreign power only by illegal means, and smuggling was carried on continually.

The small gold deposits having been quickly exhausted, Puerto Rico became essentially an agricultural community. Sugar cultivation was introduced as early as 1514. Parallel with sugar other crops were introduced with success. Tobacco, coffee, ginger and hides soon took their places as the cash items in the table of exports to the mother country. Bananas, hay, rice, maize, kidney beans, sweet potatoes and cotton were also raised with fair success.

News of the discovery of gold in Peru reached Puerto Rico in 1534 and whipped the colonists into a frenzy of excitement. They wanted to abandon the Island en masse and feast on the treasures of the Incas. Governor Lando had to impose the death penalty on "whosoever shall attempt to leave the Island."

The discovery of gold in Peru and later in Mexico also brought to Puerto Rico a new importance as one of a "bridge of islands" for the protection of the treasure galleons on their way to Spain. But the galleons brought the pirates. England, France and Holland had been unsuccessful in their quest for the yellow metal. And so they did the next best thing: they countenanced privateering and haunted the trade routes of the Spanish Main like birds of prey. Sir Francis Drake, hero of the Battle of the Spanish Armada, and Sir John Hawkins, the first English slave trader, were operating in those waters in 1595. Both were mortally wounded when they attempted to capture a richly laden galleon in the harbor of San Juan. The Earl of Cumberland captured and sacked the town in 1598. He was forced to leave the Island after five months because an epidemic of dysentery decimated his ranks.

The Dutch under Bowdoin Hendrick captured, sacked and burned San Juan in 1625 but were soon driven from the Island under the heroic leadership of Juan de Annesquito. In 1663 the French under Beltran D'Ogeron tried unsuccessfully to force the Island. Nearly every name famous in the annals of piratical venture appears in early insular history. Puerto Rico suffered many other attacks during the next two centuries because of the constant wars which the Spanish Crown carried on with its neighbors.

Meanwhile, the Island struggled along beneath the burden of bad governmental administration under the control of court favorites and the spoils system. It was not until 1778 that the native Puerto Ricans first received the right to

own land. In 1815 they received the *Cedula de Gracias*, which brought reforms that stimulated business. The most important reform made possible by this new ruling was permission to trade with non-Spanish islands of the West Indies. In 1869 negro slavery was abolished but not until the ruling class had reimbursed itself to the tune of eight million pesos from the public funds.

The American Regime

As Spain's power in the world began to weaken, various of her over-seas colonies struck for their independence. The Puerto Ricans organized a home rule movement which flourished despite the persecutions of the Crown Officers. One rebellion after another was put down with ruthless cruelty. Finally an autonomous government was actually inaugurated in Puerto Rico on February 9, 1898. However, an examination of the political status of Puerto Ricans under the decrees of autonomy yields little evidence of actual independent government. The political machinery consisted of a Governor-General and an insular Parliament composed of two houses. The Governor-General represented the King and as Commander-in-Chief of the land and naval forces of Puerto Rico exercised military as well as civil authority. He was given the power to refuse to promulgate the laws and resolutions of the Parliament, being required only to transmit to the Spanish Government a report of why he considered such action necessary. He could suspend at will all civil rights and constitutional guarantees, and dissolve Parliament, enforcing such actions if necessary by ordering out the military and naval forces. In addition special qualifications such as ownership of property yielding an annual revenue of at least four thousand pesos, or the possession of a degree from a recognized university, limited membership in the upper house of Parliament to the landholding and professional classes. Severe restrictions were also placed on the right to vote. Many Puerto Ricans saw in the imminent occupation by the Americans a means of hastening total independence and applauded the approaching sovereignty of the United States.

On October 18, 1898, after a bloodless engagement, the Spanish colors were lowered and the American flag was hoisted in San Juan. The Island and its dependencies were ceded to the United States by the treaty of Paris on December 10, 1898 and the treaty was ratified on February 6, 1899.

The American military forces took control of the Island and attempted to reorganize its economy. Freedom of assembly, speech, press and religion were decreed and an eight-hour day for government employees was established. A public school system was started and the U. S. Postal Service was extended to the Island. The highway system was enlarged and bridges over the more important rivers were constructed. The government lottery was abolished, cockfighting was forbidden, and a beginning was made

toward the establishment of a centralized public health service.

Congress approved the Foraker Act on April 12, 1900 giving the Island its first constitution under the American Government. Besides providing for a representative form of government the principle of free trade was established between the Island and the mainland, and import duties previously levied on Island products entering the United States were abolished while the full tariff "protection" given to products of the United States was extended to Puerto Rico. This inclusion of the Island within the American tariff wall was the most important factor in determining Puerto Rico's future economy. Coastwise shipping laws were made applicable to the Island. As a result, 90% of the Island's trade was directed to the United States.

Amongst the provisions of the Foraker Act, the first organic act of Puerto Rico after the Island passed into the hands of the United States, was the following: "No corporation shall be authorized to conduct the business of buying and selling real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it was created, and every corporation hereafter authorized to engage in agriculture shall by its charter be restricted to the ownership and control of not to exceed 500 acres of land. This provision shall be held to prevent any member of a corporation engaged in agriculture from being in any wise interested in any other corporation engaged in agriculture."

American efficiency was soon applied to the production of wealth in Puerto Rico. The growth of the sugar industry soon displaced coffee as Puerto Rico's dominant pursuit and shifted agricultural economy from that of direct consumption crops to commercial crops for export. Development of the tobacco and citrus fruit industries followed the same lines.

It was not very long before the Puerto Ricans discovered that they had given up the personal *latifundias* of their Spanish masters for the corporate *latifundias* of the new regime.

In the old days the Island politicians had but two principal political parties, the Monarchists, or representatives of the privileged class, and the Republicans, composed of the less fortunate members of society. The native politicians had developed a successful technique of discreetly threatening, blustering and bluffing in order to force concessions from the Crown officers. However, some restraint had to be shown because at any moment they might elude a sharp and violent reply to their fulminations. This same technique was transferred to the new regime but the blustering became more thunderous as reprisals were not drawn forth. To this day this same technique is the main stock in trade of the Puerto Rican politician.

Despite the fact that many political hacks and favorites

of the reigning political parties were sent from the mainland to the Island during those early days, no one can deny that a sincere effort was made to develop the resources of the Island. The introduction of machinery began to have its usual effect and the small landholder was soon forced to sell to the large landholder.

Meanwhile, the sugar companies found that it was to their advantage to woo the screaming Island politicians and as a consequence the local legislature became quite amiable. The Hon. Antonio R. Barcelo, for many years leader of the Unionist Party, the majority party in the Island, and for many years President of the Senate, was the brother-in-law of Jorge Bird Arias, Vice-President and General Manager of the Farjado Sugar Company. The Hon. Jose Tous Soto, for many years Speaker of the House, was also attorney for the South Puerto Rican Sugar Company. And so on down through the rank and file of both Houses. One politician when accused of being on the payroll of a sugar company indignantly exclaimed, "It is true that I am on the pay roll of the sugar company but when I am on the floor of the Senate I represent only the people of Puerto Rico and when I am off the floor of the Senate I represent only the sugar company!"

Under such leadership it is not difficult to deduce why the people of Puerto Rico have sunk so low in the economic and consequently the intellectual and moral scales.

Puerto Rico Today

The Island of Puerto Rico is a little larger than the state of Rhode Island. It consists of some 2,198,000 acres of which about 604,760 are under cultivation. Of these acres under cultivation four large American absentee sugar companies own and control some 200,000 acres. Four Spanish absentee sugar companies own and control an additional 40,000 acres, making a grand total of not less than 240,000 acres directly owned or controlled by absentee sugar companies. There are about 60,000 more acres devoted to the production of sugar cane and these are owned by small farmers who sell their crops to the big sugar companies. Since these small farmers or *colonos* are often financed by the sugar companies and are dependent upon them for grinding their cane, one can readily see that their relationship is one of dependence on the big companies. This makes a grand total of approximately 300,000 Island acres devoted to sugar cane alone. While sugar acreage was increasing five times, crops devoted to food were declining to less than two-thirds of their former acreage.

Owing principally to periodic devastation by hurricanes, coffee production has been steadily declining but there are still about 169,000 acres devoted to this purpose. Nearly 60% of this acreage is also controlled by absentee companies and landlords. About 30,000 acres are planted with tobacco. Of this about 85% is controlled by four absentee companies.

In addition there are about 6,500 acres devoted to the cultivation of fruits. About 31% of these lands are absentee controlled.

Thus, of an approximate total of 604,000 acres under cultivation, nearly 370,000 acres are directly controlled by absentee owners, mostly American, in only four export crops. A good part of the remaining land is heavily mortgaged to absentee banks.

This absentee control is not confined to the land. Examination shows that Island Banks are 60% absentee controlled, railroads 60%, Public Utilities 50% and steamship lines approximately 100%. It may be said in general that 60% of the wealth of the Island is absentee controlled.

No wonder the 1,800,000 inhabitants of the Island must import 90% of their scanty diet of beans, codfish and polished rice from the United States. Although the United States tariff gives the island a protected market for the absentee export crops, the poor native must buy in a protected market and pay 14% more for his imported foodstuffs than the New York City laborer, although his wages are 85% less!

The complicity of the Insular Legislature also manifests itself in other ways. And so it is not surprising to find that the lands owned or controlled by the large sugar companies are assessed for purposes of taxation at about one-half their real values. To a lesser degree the same deliberate under-assessment obtains in the tobacco and coffee industries.

The wretched native, crowded from all the better land of the Island, is forced to live on swampy or barren tracts or driven to seek the miasmic shelter of the slums of the large cities.

Shut off from the land, the source of all wealth, he is forced to compete with thousands of other unfortunate, landless creatures like himself in order to gain access to the means of subsistence. And this intense competition drives his wages down to the starvation point. Thus it is not surprising to find that agricultural wages for males average from \$4.00 per week in the sugar industry to \$2.37 per week in coffee growing. In some cases women workers earn an average of 2½ or 3 cents per hour. The lowest wages for rural workers were in truck gardening. In this activity men worked 38.9 hours a week at an average weekly wage of \$2.26. Women worked 56.7 hours per week with a weekly rate of \$1.78, and children worked a full week of 48 hours receiving \$1.50 per week.

This same maddening competition also affects urban wages, and in 1937-38 we find that wages for males ranged from a high of \$13.00 per week in the printing trades to a low of \$2.52 for dock workers. As a rule, in the cities women receive lower wages than men.

It was not long before this struggling mass of poverty-stricken humanity attracted the attention of some shrewd

gentlemen on the mainland, and soon the needlework industry was established. At first this new enterprise was treated with contempt by the Island politicians as not worthy of their blandishments. Soon, however, their demeanor changed as the infant industry surged its way forward to become the second most important insular activity ranking next to King Sugar.

The industry thrived but the wages of the workers engaged in it did not. We find that needleworkers average 15 to 25 cents a day for those who work in their homes and 50 cents to one dollar per day for shop workers.

This condition of starvation wages and consequent degraded living conditions can only lead to disease and death. Therefore it is not surprising to find that the diseases that flow from poverty run rampant through the Island. The death rate for infants under two years of age chiefly from enteritis and diarrhea resulting from malnutrition and unsanitary living conditions is probably the highest in the world. Among people of all ages tuberculosis, mostly caused by overcrowding in houses and lack of proper food, annually produces the second largest number of fatalities. Hospitalization of these sufferers is impossible because of a lack of funds. Malaria presents one of the most serious health problems with the great majority of swamp dwellers unable to buy the quinine necessary to combat this disease. The insular government doles out small quantities free to some of these victims. Hookworm at one time affected 98% of the rural population. Through the efforts of the International Health Board of the Rockefeller Foundation this scourge now infests only about 40% of the field workers. This disease is caused chiefly by a lack of shoes while toiling in polluted soil.

In general it may be averred that the death rate for all ages in Puerto Rico is nearly twice that of the United States. The natives, ground down by man and harassed by the diseases of poverty, eke out a short and weary existence.

To escape those intolerable conditions the poor *jibaro* has tried to flee from his oppressors just as in early Spanish days. About 55,000 live in New York and Brooklyn, and thousands more would come if they could get the passage money.

The Quest for a Solution

The writer used to watch youngsters of seventeen and eighteen years of age secretly drilling in Black shirts and with wooden guns in a pathetic desperate preparation to throw off the supposed yoke of the United States Government. This clandestine Nationalist movement was covertly supported by many of the Island politicians who hoped thereby to provoke the Federal Government into greater concessions and expenditures. They quickly took to cover however when the movement flared into violence and murder and culminated in the Albizu Campos incident.

Now the Island politicians still follow the old, successful Monarchical-Republican party technique of the early Spanish days and blame the United States Government for all the ills that afflict the Island. The hapless workers, believing in the integrity and patriotism of their leaders, lend ear to their bombastic denunciations and consequently they also are inclined to rail against the Federal Government.

It is true that the United States Government has erred in many of its policies with regard to Puerto Rico but all actions should be judged by the motives which prompt them. In the great majority of cases these motives were good. Time after time the Federal Government has sent commissions to Puerto Rico in order to study conditions and alleviate the condition of the people. Time after time have the efforts of these commissions been sabotaged by the big corporations and their insular lackeys. One earnest man after another has been attacked and discredited by the politicians and the privileged group of less than five thousand people who fatten on the miseries of their fellow countrymen. These sincere men, caught in the whirlwind of screaming invective abuse in the controlled insular press have been forced to leave the Island in disgust and seeming disgrace.

Because of the machinations of the politicians and the privileged five thousand, the 500-acre law has lain dormant in the law books since 1900 with no attempt made to enforce it. Laws to protect the *colono* from usury and extortion are also disregarded. The minimum wage laws in the needlework and other industries and the laws governing child labor are bogged down and lost in seas of insular red tape deliberately spun by the small, compact privileged class of Puerto Ricans. All this despite the fact that for some years the Island has enjoyed complete home rule in matters of internal policy.

To combat the evils caused by insular and absentee land appropriation, the United States Government has poured over eighty million dollars into the Island during the past few years under the auspices of the Puerto Rican Reconstruction Administration. At one time seventy-five percent of the people on the Island were directly or indirectly dependent upon this fund. Because the Federal Government does not allow the Island politicians to administer this fund to their own advantage, they immediately set up the cry of "carpetbaggerismo."

It was due to the efforts and insistent urgings of the U. S. Department of Interior at Washington that the 500-acre law (shot through with legal loopholes and inefficacious as it is) was revived again and legal steps were taken to implement the Federal Minimum Wage Laws and the Child Labor Law.

On April 12, 1941, Governor Swope signed the Puerto Rico Land Authority bill, which establishes a Land Authority composed of seven members who are charged with carrying out the Congressional resolution of 1900, limiting

corporate land holdings to 500 acres. Of course, the sugar companies expect to be compensated for their holdings and the battle and the delaying tactics in the courts have already begun. The most that can be said for this measure is that a faltering step in the right direction has been taken.

The Malthusian theory is still carefully nurtured by the privileged class in Puerto Rico since it enables them to shift to the Creator any responsibility it cannot hurl at the United States. The slightest use of the halls and appurtenances of the University of Puerto Rico should soon convince them, if they really want to be convinced, that the solution of the problem of over-population is not to be found in the Birth Control Law of 1937 but in a higher elevation of the standard of wages. The increased standard of wages would increase the standard of comfort and the higher standard of comfort would raise the level of intelligence. The wisdom of the ages tells us that the higher the mental type the less the tendency to large families. The problem of over-population in Puerto Rico is merely another aspect of the general problem of poverty.

Careful analysis affords most convincing proof that the misery and degradation of 95% of the inhabitants of the "Isle of Enchantment" are not due to the machinations of the Federal Government nor to the stupidity of the Creator, but most assuredly stem from the greed and cupidity of corporation-controlled legislators and the guilty connivance of the privileged five thousand.

Newton D. Baker on Henry George

IN an exchange of correspondence with the late Hon. Newton D. Baker some ten years ago, our good friend, John C. Rose of Pittsburgh, received the following from Mr. Baker:

"Henry George was a strange and significant phenomenon in the midst of an age of acquisitiveness and materialism. He sought and found fundamental moralities as the basis of an economic philosophy, and nobody who has read "Progress and Poverty" is ever the same in his thinking as he was before he saw those eloquent and impressive pages. Much that Mr. George taught has now become a part of the every day philosophy of our political life and much more will become a part of it. I do not, however, believe that there will ever be any sudden application of Mr. George's principles. Sound political development is a matter of growth and not a matter of revolution, and even a fundamentally right economic doctrine, if it involves a radical departure from accepted practices, has to be absorbed little by little to avoid consequences too severe to endure which would follow a nation wide attempt to go back to the beginnings of things to correct an ancient error."

Winning the Peace

By SIDNEY J. ABELSON

GEORGE WASHINGTON warned his fellow-Americans that it was prudent in time of peace to prepare for war. Today, an America which forsook the sage advice of its first President is hastily trying to make up for lost time. But Americans are not really worried about being able to fulfill the unsought for, yet inevitable task of re-arming—we know beyond a doubt that that task will be prosecuted to a successful conclusion.

Americans are worried not so much about the war problem as they are about the peace problem. It is easy enough to make a war; it seems impossible to make a lasting peace.

In a recent book entitled "The American Choice," Vice-President Wallace aptly summed up the present situation. He wrote: "As we move on these immediate problems of preparation (for defense), we must not lose sight of the problems of the peace to come. For a while, if we carry on a preparedness program considerably greater than the current one, we can put nearly everyone to work and in so doing relieve the pressure of many types of farm surplus. But when peace comes and men are no longer needed in the Army and Navy and in the production of airplanes and munitions, we shall face the same old problem of finding markets at home and abroad for our non-military farm and city goods. We must find ways to solve these problems while maintaining and deepening our democracy at home. In some ways these problems of peace will prove more difficult to solve than the problem of rearming to prevent war from coming to this hemisphere. A generation ago we organized efficiently for war. But we did not know how to organize the peace."

Those two closing sentences written by the Vice-President are worth noting. While our sleeves are rolled up as we work day and night to restore the fighting—and winning—power of the American people, we must not forget that all our strength, all our will to win, all our resolve to make the war serve high and noble purposes will be in vain if we do not find a way to organize the peace after the war is won.

John G. Winant, the new American Ambassador to Great Britain said in a recent talk, "We must be prepared to conquer the peace." And he continued, "Only by finding a common basis of world citizenship and by accepting far-reaching and progressive social changes can we hope to secure the economic and social security which will make any peace real and lasting.

Certainly all agree that the world (and let us not forget that America is a part of the world) will soon have to undergo a drastic revision in its economic structure if it is to survive. Those of us who believe in the dignity of

the individual realize that the theories of Freedom must be made into a practical reality, a reality expressed in economic security for all the people, if we are to be saved from Communist-Nazi barbarism or utter chaos.

Let us turn to Dr. Nicholas Murray Butler, the president of Columbia University, as another authority on the problem of peace. Dr. Butler is a veteran of many decades in the struggle for peace. As Director of the Carnegie Foundation for International Peace he saw, first-hand, numberless proposals designed to eliminate force as arbiter in international quarrels. With the vast resources of the Carnegie Endowment available it seems certain that no stone was left unturned in the search for a peace formula. But what has Dr. Butler to report after so many years of seeking peace? A few months ago he summed up our situation in a few words: "It is a tired world. It is a disappointed world." In the face of the facts, that is the best Dr. Butler can tell us. He sought for peace, he cried, peace, peace—but there is no peace.

Every person of good-will, every being whose soul has not been mortally scarred by the uncertainties and inequities of life today, must feel this fact keenly beyond power of expression: the world is a failure. This, then, is the reason for our deep concern about the peace.

In previous times, though there were many deep changes in social relationships, men did not depend so completely on what I might call all-out social ideologies; they did not place their full faith in rigid, self-conscious systems, such as Fascism, Naziism or Communism.

After the first World War, however, the economic way of life as people knew it, began to break down, and a new type, an ultra-modern form of tyrant forced himself on the scene. These tyrants carried gatling guns in one hand and would-be sociological treatises in the other. They were not, so they said, mere despots; but, on the contrary, they came to serve the people, to carry out the will of mankind and the mandates of historical development. To prove their points they quoted from learned works and replied to protests with an avalanche of distinctly non-academic propaganda—discreetly reinforced by the best instruments of physical persuasion ingenuity could devise and money could buy.

It now seems more than a little strange, yet people by the millions outside the dictator countries placed their hope for salvation in the arch-leaders of destruction—Stalin, Hitler and Mussolini. But that is all over, or nearly so.

These rigid "isms"—Communism, Fascism and Nazism—have sacrificed whatever hold they might have had on our sympathies. Where, then, shall we turn in our search for

a way of life? The American system, in certain fundamental respects, provides the only foundation upon which a prosperous and peaceful social structure can be built.

Nevertheless, there is something wrong, something seriously wrong with the American system—if this were not so, our nation, the most productive of any on earth, would not have to admit that one-third of its people are ill-clothed, ill-housed and ill-fed. If this were not so, we would not have suffered the frightful depression which even now would be deepening were it not for the war program.

We in the United States can take comfort—genuine comfort—in the reading of our Declaration of Independence, the preamble to our Constitution and the Constitution itself, yet we should not allow the existence of these documents—the greatest and most inspiring in all legislative history—to blind us to the truth: Though the logic and moral truth of our ideals have withstood attack for more than a century and a half, we are now drifting further away from those ideals instead of drawing closer to them.

The task before us today is to take what is good and sound in the American system and build on it. We must build by building, not by tearing the world apart and then hoping for the best. Lenin said, at the time when so-called War Communism was taking a terrible toll of human life in Russia, that “the present generation must plow itself under as fertilizer for the generation to come.” I believe that that is an evil doctrine. No proposal that does not promise *immediate* progress, progress for the people of today, is worth the attention of conscientious men and women.

Let me suggest a measuring rod by which to judge a social doctrine: “Does it offer to build a better life *now*? or does it tell me I must sacrifice my life and my children’s security in order to build an indefinite Utopia in the indefinite future? Does it take the good there is in the world as a starting point for building a better social structure? Or does it say that everything we have now is bad and must be destroyed before work can start on the new structure?” If you use these measuring rods you will not be misled by the destroyers and visionaries, who, being devoid of any understanding of faith in the realities of today, indulge in opium dreams of a figmentary future.

There are a number of really sound beliefs and traditions in America today. The sensible thing to do is to see what is good in our way of life, to review the basic American ideals and find out, if we can, how these ideals may be more fully realized. We must make our American faith in democracy and freedom a living reality, and not a statutory mockery.

If we were able to vitalize the American ideals we should do more than restore the prosperity of the United States—great as would be such an accomplishment; we should there-

by help the world to realize a tremendous advance in the ways of civilization.

“Ideologies” grow out of economic conditions. The evil “isms” of Communism, Fascism and Naziism are slightly divergent developments of a fundamental evil—poverty; a poverty which is based on the denial of a fundamental human right. This right is denied in America as well as in those countries which have been debauched by totalitarianism.

For many years this country was a beacon light to the rest of the world. Hundreds of millions of people looked to us not only for better automobiles and better industrial goods, but for better social ideals and a better social structure as well. Our depression served to disillusion these many millions at a critical moment. We failed humanity. When it most needed guidance in a sound way of life and looked to us for that guidance, we turned to it a picture of depression and unemployment as black as that of any in the nations considered far inferior to us in the ability to solve social and economic problems.

In spite of this failure, America is still the world leader—thanks to the soundness of its basic ideals. If we arrange our economic structure in such a way that those ideals are fully realized—as they can be—then America once more will become the hope of the world. Our achievement will provide an example for all the world to follow. Beginning with America, the world could experience an ever-widening “outbreak” of prosperity and peace—as it is now experiencing an ever-widening outbreak of poverty and war. There is still time to undo the evil works of dictators.

The first point to remember about America is that its social and political system is based upon doctrines of natural rights. “We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness.” Our whole social structure is an attempt to express in the dynamics of human life a recognized law of the Creator, that men, all men, are born with rights which no single man, group or government of men can legitimately take away from them.

The authors of the Declaration of Independence accepted no argument on this point. This, they said, was self-evident truth, truth not subject to challenge, truth which is quickly verified by our conscience.

It was this recognition of the rights of man which made America great. For Freedom is not only an abstract philosophical doctrine; it is a concrete condition of progress: without it, industry languishes and the spirit of man declines; with it, all the higher ambitions and aspirations of man flourish.

The spirit of the Declaration of Independence is still our guide, and still deserves to be our guide: We believe in

freedom of the individual; we believe in equality of opportunity; we believe in self-reliance; we believe in the right of each to seek his own destiny, economic and spiritual, in the way each sees fit.

In a large measure America has achieved its ideals. But that measure is not large enough; our achievement is now being challenged by ideologies from abroad and also, which is of more concern to us, by a serious fault in our own social and economic structure.

The founders of this country were far-seeing men; yet, in spite of all their genius, they permitted the continuance in America of two institutions which directly contradicted the very principles of the Declaration of Independence—two institutions which, in both ethics and economics, are totally incompatible with our ideals of freedom and equality of opportunity.

One of these institutions—chattel slavery—is now a thing of the past. The man who led our nation in the abolition of slavery also pointed out the necessity for abolishing that other institution which in his time threatened, and in our time continues to threaten the American ideals—an institution which is undermining our freedom and which has already destroyed equality of opportunity and self-reliance of the American people.

Abraham Lincoln said: "The land, the earth God gave to man for his home, sustenance, and support; and it should never be the possession of any man, corporation, society, or unfriendly government any more than the air or water, if as much. An individual, or company, or enterprise requiring land should hold no more than is required for their home and sustenance, and never more than they have in actual use in the prudent management of their legitimate business."

Speculation in land was the second freedom-destroying institution which our forefathers unwittingly retained in the new social order they established here.

In Abraham Lincoln's time it was easier than it is now to see how directly the speculative withholding of land from use affects the payroll of every man and in aggregate the economic welfare of the whole community. The effect of land speculation is no less direct today than it was when we were predominantly an agricultural nation; it only seems less direct.

The question of land speculation is an ethical as well as an economic one. Man has a moral, a God-given right to use the earth whenever he needs it for his sustenance; and this is a right which, in all morality, no individual or corporation can take away from him legitimately.

We do not stop to argue the point whether men are entitled to "life, liberty and the pursuit of happiness," to freedom of religion, of the press, of speech and assembly;—we know they are; we know that without these rights and liberties economic life could not progress, without them, the

spirit of man must deteriorate and ultimately descend to a state of debasement.

Just as freedom in religion and in civil rights is essential to spiritual advancement; so freedom in the use of nature's resources is essential to progress in the economic sphere. But that freedom—freedom to use the earth when we need to use it—is denied to the great majority of us, thanks to the institution of speculation in land.

We have often heard it said that crime doesn't pay. That is a negative approach to a solution of society's ills. We must prove that virtue *does* pay. We must prove that freedom and democracy really *are* efficient—that they are worthwhile in terms of satisfying the economic desires of *all* the people.

But there can be no real economic freedom without freedom to use the earth—the only universal and perpetually available workshop. As Abraham Lincoln said, God gave the earth to man for his home, sustenance and support and therefore should never be monopolized, any more than air or water.

If we want to preserve democracy, if we are serious in our intention to extend and fortify American liberties we must restore equality of economic opportunity—and that means equality in the right to find employment in the great workshop of nature.

If we seriously mean to revitalize the American tradition of self-reliance we must make it possible for men to be self-reliant, to find employment according to their choice and to engage in economic enterprises according to their abilities and experience. And that can be accomplished only if we make land easily accessible for use in both city and country.

Land speculation is in effect a monopoly which curtails employment, lowers wages and the profits of non-monopolistic business, and restricts enterprise. A people shut off from the land become increasingly dependent for employment on a few monopolized industries and the government. There can be no real economic freedom, no real free enterprise system, if the land is not freely, that is, easily accessible.

Here is the great opportunity that presents itself now to America—after the war is won by the democracies, we can win the peace. We can solve the paradox of starvation in the midst of plenty, we can invigorate the traditions of liberty and indeed, extend and secure them for generations to come.

But all this can be done only by making freedom a complete and practical reality. And that is something that requires more than fine phrases. It calls for a new abolition—the abolition of the freedom-destroying speculation in land. It calls for the establishment of every man's right to use the earth on equal terms with every other man.

"Backwash of the Past"

A Reply to Anne Morrow Lindbergh

By EDWIN S. ROSS

"THE wave of the future is coming, and there is no fighting it." This is the phrase in a dozen different forms, emphasized and re-emphasized, compelling a feeling of the inexorable movement of time itself, inevitable, sweeping all before it, heralded by the crack of doom; this is the awesome note sounded by the onrushing Nazis in their campaign of easy victories by propaganda, striking helpless terror in the hearts of abject adversaries. Incidentally, it contains the title and central philosophy of the latest book of Anne Morrow Lindbergh—"The Wave of the Future."

Hailed by the press as a "well meant" work, written seemingly in a calm, judicial style, expressing such an apparently long-range, planetary point of view, it has escaped the keen analysis and merciless probing it might have received had it been recognized in its true light. The rough and tumble treatment usually meted out to books on sociological subjects has been spared this one because it is so "well intentioned." The phrase itself should conjure up the scent of brimstone paving blocks.

Were it only as a friend of mine called it—"a harmless little book"—the lack of effective criticism would be of no great importance. But since its central theme, unless boldly attacked and exposed, will crystallize in the minds of men a thought vaguely but widely held, I propose to separate the meaning from the intent.

"The wave of the future is coming." What are we to understand by that baleful sounding phrase? By that is it meant that time in the distance will become time in the present? Is it simply that "what will be will be"? That wave is sweeping over us now, has swept over us since the beginning of time and will always do so. Time *is* inevitable. It was not to tell us that truism that Mrs. Lindbergh wrote her book.

By the "wave of the future" we are to understand that some *particular kind* of time will encompass our future actions. An era is coming that has an essence of its own. The relationships of men will be on a different footing from those we know today. America will meet the wave of the future in its own way. We will prepare ourselves so that it will come easily with a minimum of shock, not with the brutality and terror that enshrouds most of Europe.

All this would be fine if Mrs. Lindbergh did not reveal that by the "wave of the future" she means a very special kind of wave, with very particular kinds of relationships established among men.

To understand the particular kind of society (for that is what is meant by relationships among men) that Mrs. Lind-

bergh has in mind, the reader will have only inferences to guide him, because in the whole forty pages there is not one word of explicit definition as to what sort of future this inevitable wave must bring us. In fact there seems to be a deliberate attempt not to define—an attempt, by speaking of the "American answer" and the "French answer" and the "British answer," to have us think that the wave of the future is in reality a number of harmless little wavelets, from which we can make our selection.

It is only by ascertaining where the crest of the wave is now, and who rides it, that we can apprehend the nature of it. Let Mrs. Lindbergh tell us in her own words where the wave now is: "The leaders in Germany, Italy and Russia have discovered how to use *new* social and economic forces; very often they have used them badly, but nevertheless they have recognized and used them. They have sensed the changes and they have exploited them. They have felt the wave of the future and they have leapt upon it." No other countries are mentioned. Just Germany, Italy and Russia. Somehow, in some way, they must have in them a distinguishing essential. Something that must be recognizable by their actions; for they have "leapt" upon the wave of the future while others have not.

Can it be that these countries have by their actions instilled in their peoples some new spirit that reveals itself in high morale in battle? Then Britain with its magnificent soul must be included; so must China. Then we have two waves of the future, clashing together where only one should be, and where only one can survive. But Britain is not included, nor China.

Is it in their efficiency as war machines that these countries differ? Then Russia should be ruled out, after its miserable campaign against Finland. And Italy failed lamentably to qualify in Greece and Libya.

No, it must be that the "totalitarians" possess some common denominator in their relationship among men wherein they differ essentially from other nations. There must be some way in which men in these countries exchange goods and services and ideas, not found or at least not found to anything like the degree, among other peoples.

Now there are only two ways open to man in the distribution of goods or services. One is by the offering of goods or services in exchange for other goods and services, which is known as the market method; and the other is the assumption and distribution of goods and services by the government. This latter is known as the "ration method." And it is just here, I submit, that the issue is joined. For in Germany, Italy and Russia goods and services are very largely

distributed by the ration method with as little help from the market as they can manage, while in England and America the market method is employed with as little rationing as possible.

Here, then, is the essential difference. The "democracies," as Mrs. Lindbergh scornfully calls them, still cling to the ideal of a free market, while Germany, Italy and Russia have turned to the ideology of a deliberately planned and administered economy.

Of course Mrs. Lindbergh is very sincere in her railings against the barbarisms, the ruthlessness and the brutal terrors of the Gestapo, OGPU and Fascist Secret Police. But underneath it all she is sure that these regimes are "in the essence, good."

Perhaps she does not wish to reveal herself as a "planner," a "collectivist," a "totalitarian." Whatever the reasons for her restraint, I have sought carefully through the entire length of her book and have found not one single sentence, not one word, that tells us what there is about the "wave of the future" that is good. It is good because Mrs. Lindbergh hopes it is good. Helpless to tell us why, she is driven behind the oldest of all known alibis. She has "faith." The subtitle of her book is "A Confession of Faith." But because her faith is not built upon the deep-rooted rock of knowledge, she does well to confess.

Mrs. Lindbergh can now be classified; we have found the proper pigeonhole in which to place her and her philosophy. She is an authoritarian collectivist who believes with Stuart Chase, George Soule and others that we can enjoy the supposed blessings of a planned economy without the attendant evils that have everywhere accompanied the effort to establish such a society. She is also either a believer in mystical predestination or in economic determinism. For "the wave of the future is coming, and there is no fighting it."

Since Mrs. Lindbergh either could not or would not describe for us the essential goodness to be found in a deliberately planned and administered economy, it devolves upon us to determine whether any such goodness exists. Let the reader fortify himself with some trusted headache remedy and now plunge into the talk of planning only one item, say shoes, in a controlled society. First, we must plan how many. Shall it be five million or twenty-five million? Shall we give every person just one pair or three? Shall those who work outdoors have a greater number rationed to them than those who work indoors? If so, how much greater? How many styles shall we make? Shall we import cheap leather from Argentina so that we can spend more for other purposes, or shall we get the leather from our own country to encourage home cattle-raising? If we issue five pairs of shoes to every person how are we to know that it might not have raised the sum total of happiness by issuing only two pairs, using the excess time and labor for some other more de-

sired purpose? If we decide to produce five instead of twenty-five million pairs how are we to know whether we have satisfied the relative demand? If the people really desire twenty-five million pairs, then those lucky enough to have received the five million will trade them illegally for enormous profits. This is done in Russia today on what is known as the "Black Bourse," and all the brutal tortures of the G.P.U. have not been able to suppress it.

In short, in the absence of a competitive market, it is absolutely impossible to know how time and labor and natural resources should best be used.

People have a waywardness about them that does not conform well to plans that other people think ought to be good for them. And so when the plan is adopted the populace must be made to conform. And in the effort to make them do so, recourse must be had to Gestapos, strict censorship, suppression of all dissent, and all the other phenomena of brutal state power that Mrs. Lindbergh so decries, but which she herself could not dispense with were she the most humane planner imaginable.

This, of course, is not intended as a complete answer to the claims of the collectivists. For the absolute annihilation of all such claims the reader is recommended to Max Hirsch's "Democracy versus Socialism," Ludwig von Mises' "Socialism," and Walter Lippmann's "The Good Society."

In identifying "the wave of the future" as simply the authoritative state, another idea of Mrs. Lindbergh breaks down. The "new social and economic forces" which the dictators of the totalitarian countries have learned to "exploit" are seen to be ages old.

Untold centuries ago, when the first rapacious hunting tribes swept down from the hills to conquer and terrorize and enslave the peace-loving agricultural communities, a State was set up differing in no essential from its modern counterpart. The entire history of civilization since that time is the story of man's efforts to free himself from the arbitrary control of bureaucratic officials—to gain the freedom to exchange goods and ideas without the interference of chieftains or dictators, priests or princes. There is, after all, but one way in which man can increase the sum total of his satisfactions, and that is by the continual division of labor in a free market.

This process has been going on with ever greater refinements for thousands of years; now held back by some Pharaoh or Caesar, now bursting forth in full vigor as when King John was forced to sign the Magna Carta, or when the Bill of Rights was inserted in our Constitution. We are, as Lippman says, *committed* to a division-of-labor economy. Every attempt to interfere with it, every effort to control it to suit the ideas of only a part of society, whether a single dictator or a majority, has resulted in retrogression, brutality, and enslavement.

This is the lesson, the wisdom of thousands of years.

But Mrs. Lindbergh tells us we must scrap all that. "The wave of the future is coming and there is no fighting it." No doubt Hannibal tried it out on the recalcitrant Roman Republicans. And Napoleon certainly used it to good effect until he ran point blank against some skeptics who looked askance at his inevitable "new order," and won a victory that released the whole of Europe from bondage, and opened the door to the latest phase of the great advance we call "the industrial revolution."

Yet there is one thought that demands serious attention. That is Mrs. Lindbergh's cry for reform—the plain, unqualified statement that some kind of readjustment is necessary. That is true; it is self-evident. We cannot go on with depressions and wholesale unemployment, periodic wars, and wide-spread poverty. Remedial measures are necessary, and quickly.

The trouble with Mrs. Lindbergh is not in her demand for reform but in her insistence that a particular kind of reform, totally unsuited to the economy to which we are irrevocably committed, must willy-nilly, sweep over us.

That it *may* sweep over us if we do nothing about it, is true. And if it does; if England goes down, and America and China (whether from without or from within), then it is likely that our civilization will go as Rome went. For the ways in which a modern authoritarian state maintains itself are so much more powerful, its weapons are so deadly that successful revolt is well-nigh unthinkable. A scythe may stand some chance against a sword, but a fowling piece will not avail against a Bren gun. And though the citizens might occasionally rise up to "face the machine guns on the barricades," the charnel piles of their own dead would soon prevent their progress. They would succumb, and accept, and find their relief in circuses. Then, from the core out, like a puff ball, our civilization would rot, until, lightly tapped by a new tribe of Huns, it would burst all at once, leaving a ruin to be gazed on curiously as we now look on the pyramids or the debris of ancient Rome.

This is what we will come to if we accept the "wave of the future." To prepare ourselves to accept it is not merely to carry coals to Newcastle; it is, in a fit of absent-mindedness, to leap into the furnace.

Wilson—A Follower of Henry George

S. J. WOOLF'S latest interview, printed in the *New York Times*, was with Henry Morgenthau, Sr., venerable father of the Secretary of the Treasury. Mr. Woolf reported Mr. Morgenthau as saying the following of Woodrow Wilson: "Mr. Wilson had but one prejudice. That was against wealth; he believed that no man could honestly amass a million dollars in a lifetime. At heart he was a follower of Henry George and strongly objected to private profit accruing through the increase in land values."

Assessing Land on Gross Value

By HERBERT T. OWENS

THE efforts of Georgeist reformers have been directed towards a change in the incidence of taxation. That is to say, we have urged in the municipal field the exemption of improvements and the transferring of taxation to land values. We have succeeded to an encouraging extent in having this done. In places where it has been done, the phenomenon has been noted that assessed land values in many cases have continued to rise whereas the intended purpose of land value taxation is to reduce—eventually to remove entirely—the selling value of land. One reason for the continued rise in land values is that there has been industrial expansion, and population has continued to increase, and there have been land booms which have kept land values increasing.

In New Westminster, B. C., there has been a more static situation. Although many B. C. cities which formerly exempted improvements 100 percent have reverted to the taxation of improvements, New Westminster has continued up to the present to exempt buildings entirely. One reason which led municipalities to revert to the taxation of improvements in B. C. was the enactment of a statutory limit to the mill rate on land. When a municipality found that it could not raise the amount of revenue required on its land value assessment, without violating the provincial statutory limit, it was forced to tax improvements. That is not to ignore, of course, the pressure of land speculators against a system that interfered with their profits and the general ignorance on the part of the electorate of the merits of collecting economic rent.

In the case of New Westminster its Council is faced with the fact that assessed land values have declined in the last ten years from \$15,000,000 to \$7,000,000 and it has stretched its mill rate to the statutory limit. To avoid having to tax buildings, it has used such means as poll taxes and fees for garbage collection to increase civic revenues. It is questionable if it can hold on much longer under the condition of declining assessment and a statutory limitation.

Now, although New Westminster is a case in point, it should be borne in mind that any city on the land value taxation basis will meet a corresponding situation. That is to say, as land value taxation gets in its beneficent work of taking the selling value out of land, assessed land values based on selling price will go down, and along with them civic revenues will fall.

When states, provinces and national taxing authorities levy on land values, the decline will be accelerated. There is need therefore of a formula which will bridge the gap during this evolutionary process. Such a formula has been evolved by a Canadian Georgeist, Mr. E. S. Woodward, economic consultant of Vancouver, B. C., and it seems to this writer that Mr. Woodward's formula meets the situ-

ation admirably. It would handle New Westminster's problem, and that of any other municipality where land value taxation has begun to take selling value out of land.

Inasmuch as taxing authorities, so far as the present writer's knowledge goes, favor selling value as a basis of assessment or what is called in Australia the unimproved capital value, it is assumed that that would be the starting point of any change in the system of untaxing improvements and levying on land values instead. Either that, or an entirely new valuation based on the capitalized taxation must be made. However, Mr. Woodward's formula has obvious merits, and it is time now to set it forth.

In Canada, Australia, New Zealand, etc., land is now assessed for taxation purposes on selling of market value or on the unimproved capital value. This, Mr. Woodward holds, is net value which is the owner's equity. The real value, however, of land is its gross value, *the value before the tax is considered*. The difference between the selling value and the gross value is the city's or state's equity. By his formula, where the owner's equity goes down due to an increase in taxation, the state's equity goes up—or vice versa. The result is that the gross assessment is stabilized, and municipal or state administrators will always have a more stable base on which to draw up their budgets.

Mr. Woodward demonstrates his theory as follows:

Actual Gross Value can be defined as the "sum of the equities." It is the city's equity, i. e., the annual taxation capitalized *plus* the owner's equity. Gross value is comparatively stable. It can be changed gradually by population trends. It cannot be changed or disturbed merely by tax fluctuations. To illustrate:

A parcel of land now assessed at (owner's equity).....	\$ 500
And taxed at \$25 capitalized at 20 years purchase	
(city's equity)	500
Has a gross value of	1,000
A change in taxation from \$25 to \$30 would reduce	
the actual sale value to (owner's equity)	400
And increase the City's equity to	600
But would leave the gross value undisturbed at	1,000

I shall show that the question I am raising is one of much importance to building trade revival and to the cause of securing needed tax reductions. Let me point out first its legal dangers. The present practice of using the net residuary value of land as the taxation base *makes it impossible for any assessor to defend the assessment roll in the appeal court*. If the assessment roll was correct before the new mill rate was struck, *it becomes automatically wrong after the new mill rate is struck*. If the privilege of acquiring title to a lot taxed at \$25 a year is worth \$500 cash, no assessor can argue that it is still worth \$500 cash when the taxes are raised to \$30 a year. Woodward's point that the present system induces numerous claims for adjustment in courts of revision which would be remedied by the adoption of the system of gross value is an important one.

Having some curiosity to find out what would be the effect of Mr. Woodward's plan if adopted in Canada, I have worked it out as follows:

Canada's peace time budgets for 1939-40 were about \$900,000,000 for the three levels of government—municipal, provincial and federal. (The sources are customs, excise, sales tax, income, succession, gasoline, corporations, royalties, rents, improvements, land values, miscellaneous). From that figure should be deducted certain revenues that would likely be kept under any system for some time to come—such as super-income and super-inheritance taxes, fines, court fees, vital statistics fees, government services, liquor revenues, motor registration fees, etc., and that total would be reduced to say \$700,000,000. Capitalized, that sum would give us a base of \$14,000,000,000 as the gross value of land. With a population estimated at 11,000,000, the land values per capita would be \$1,278—quite a moderate figure. As a check, Saskatchewan's land values per capita in 1936 were \$1,002—these are the highest for Canada of any Province.

At present, assessed land values of Canada net are only about \$4,000,000,000, so they would be stepped up 3½ times under the gross value formula. At present, I estimate that we do not take in economic rent more than \$200,000,000. On the gross value of \$14 billions, a rate of 50 mills (5%) would produce the \$700,000,000 needed, and could probably be shaded owing to the simplification of the functions of government, the reduced cost of public aid and social services to the unemployed, etc.

Addendum

By WALTER FAIRCHILD

The formula presented by Mr. Woodward is a most important one. My associates and I thoroughly agree with it.

This problem of a declining market value or selling price of land in the face of an increasing land value tax rate when used as the tax assessing base was given considerable study by the Graded Tax Committee in preparing a graded tax bill for introduction in the New York City Council. The Committee worked out the problem in precisely the same way as did Mr. Woodward, with precisely the same result.

The same formula has been adopted by our American Association for Scientific Taxation, in the Legislative Framework for the Philosophy of Henry George. Our term "full value (of land) as though unimproved and free from tax" corresponds in meaning exactly with Mr. Woodward's "gross value." That is, it includes the selling price as well as the capitalization of the annual tax. These two added together make up the gross value, or full economic value.

We think the terms used by Mr. Woodward—"owner's equity" and "city or state equity," making up gross value—are particularly happy, and help clarify a problem that has puzzled many people.

Political and Economic Freedom in Great Britain

By DOUGLAS J. J. OWEN

WHILST the military struggle to preserve political liberty gathers momentum, the political struggle to extend liberty to the economic sphere hangs fire, and in Great Britain it is almost entirely suspended. Under the truce between the three main political parties any agitation for the redress of economic grievances is regarded as unpatriotic and a hindrance to the war effort. It is not realized or admitted that to remove injustices is to remove those causes of friction which are the real obstacles to national unity. Recent speeches by Labor leaders and others, which outline a new and better social order after the war, have been criticized by Right Wing spokesmen as a breach of the party truce. The hope of a juster and freer system, which is the chief incentive to continued endurance by the people, is discouraged and discounted already. At the same time, ancient monopolies like landlordism take advantage of the fact that the progressive parties are not pressing their economic objectives. Party activity is suspended, though the Conservative Party retains its huge majority in Parliament. There is talk of a continuance of the truce after the war and a more or less indefinite postponement of any General Election. This inactivity seems to be the cause of a great decline in membership and subscriptions of the official Labor Party as distinct from the Trade Union movement.

In spite, however, of the political truce, a measure of economic freedom has been enjoyed for a time by certain classes of workers. The great demand for skilled labor in war production gave a new power of individual bargaining not hitherto enjoyed by operatives and economic power greater than that usually achieved by trade union or strike methods. The much despised and misunderstood law of demand and supply for once worked in favor of the worker and caused a higher wage level and a greater mobility of labor. Ordinarily men and women could for once pick and choose their jobs and determine to a large extent what their earnings should be. This was not everywhere the case, but it was an indication of what happens when there are more openings for willing workers than there are workers to fill them. It showed also that the wage-slave status can be removed by economic means without political violence. The lesson plainly is that such political power as men have must be used to achieve this free economic status as a permanency; and that, of course, means the freeing of all the natural resources of the earth from monopoly so as to create innumerable opportunities for employment.

The brief spell of economic liberty, and the higher wages resulting, are now being checked by various forms of industrial compulsion under cover of the party truce. The

mobility of labor is no longer allowed to flow freely along the economic channels of the best reward, but is being canalized by bureaucratic direction. Men and women workers must now go where they are sent, stay where they are put, and take what they are given. Lord Halifax in his recent great speech condemned Hitler's "New Order" because it "involves the shackling of industry and commerce, ruthless compulsion in place of free contract." This "compulsion in place of free contract" is being justified in Great Britain as a factor in the struggle to maintain political liberties. The tragedy in the past has been that the workers in every country have not known what to do with political franchises when won, and have largely failed to use them as the means to win full economic emancipation.

An interesting light is thrown on the present state compulsion of industry by the terms of the manifesto of Church leaders which was referred to in our previous article, in the March-April issue of *LAND AND FREEDOM*. Related to the principle that the earth's resources should be used for the benefit of all, there was the further point that "the sense of a Divine vocation must be restored to man's daily work." This principle that a man's work should be undertaken because he believes it to be his "calling" and the divine purpose of his life, is a noble vision. It lifts all human labor to a higher plane. One wonders, however, if the high ecclesiastical dignitaries have grasped its far-reaching implications. It cannot be reconciled with the checking of economic processes by industrial conscription.

History warns us that whilst struggling for religious and political freedom men may find they have lost their economic freedom and with it all the real fruits of their religious and political sacrifices. Examples enough are provided in British history. Now that world federation is being everywhere discussed, the lessons of the "federation of Great Britain" should not be missed. Scottish people rightly boast that the Union was consummated, not by conquest, but by dynastic and political factors. The land laws of England and Scotland are distinct in many ways, and Scotland enjoys a considerable measure of independence. In the struggle for religious freedom Scotland has a proud record. It is significant, in fact, how much of the history of the Reformation is bound up with economic and social revolt. But, whilst Scotland was splitting up into so many sects, the landowners were allowed to walk off with the people's liberties. The Scots thought that, in their fierce religious disputes and the contest between the Free and the Established Churches, they were preserving their souls, whilst all the time the land was being taken from under their feet. Trying to make peace with the Lord above they were being starved by the Lords below.

Scotland became a "Forbidden Land," as a review of a book by Dr. E. A. Baker under that title, in the March *Land & Liberty*, shows. The Highland clearances went on parallel with the long struggles which won Scottish political and religious freedom.

When, in 1843, the Scottish Free Church disestablished and disendowed itself, and over 400 ministers came out of the State Church and were looking for new sites of land to carry on divine worship, we read that land was refused them all over the country, the chief offenders being the Dukes of Buccleuch and Sutherland.

In Froude's "Carlyle" will be found the story of "Jenny Fraser versus the Duke of Buccleuch." When the Duke heard that Jenny was about to bequeath to the Free Church her "Naboth's vineyard," the only patch he did not control in the Parish of Penpont, he sent his agent to bid any money for the plot. His offers mounted rapidly. But in Carlyle's words, "Jenny is deaf as whinstone though poor nearly as Job; she answers always, 'I got it from the Lord, and I will give it to the Lord.'" The garden patch was too small for the purpose, the wall had to be tapered on one side, and the bend is still called the "Duke's Elbow."

Such is the relation of a free land system to freedom of conscience and of worship!

We are slow to learn that there can be no complete liberty in political or religious life if men are economically in chains. We are all "beleaguered" today, for such is the true interpretation of our present system which allows land-withholding for speculative purposes. As effectively as any enemy draws his U boat or E boat cordon around his blockaded or besieged town or territory, so does this land monopoly encircle us now. We shall learn this again when the war is over, for no business can start or restart unless it is willing to come to terms with those who today are buying land for "investment purposes." The door of industry is bolted and barred, and it is double-locked by the vicious forms of taxation which the State and the municipality will at once impose upon any who try to turn the key in the lock.

There can be no truce with this iniquity, whatever the British political parties agree upon. It is therefore gratifying to report that a Memorandum signed by twenty-four M.P.'s has been submitted to the Chancellor of the Exchequer, urging him to put into operation a tax on land value. Following this up, a deputation comprising Messrs. Wedgwood, Glenvil Hall, R. R. Stokes, and F. C. R. Douglas was received by the Financial Secretary on February 19. The hopes, however, that their strong representations might have some effect have not been fulfilled. There is no reference to Land Values in the new Budget. No notice is taken of the cogent arguments put forth in the Memorandum, which is reported in full in *Land & Liberty* for March. One of its paragraphs is as follows: "The whole wealth of this

country is, in the end, the product of its land and the labor of its people, or derived from exchanging that product for the products of other countries. There need be no unemployment and no enforced poverty arising therefrom if all the natural resources are put to their fullest and best use. The most far-reaching, effective and continuous method of assuring that land is fully utilized is to require payment of a tax on its site value, whether it is used or unused."

[Mr. Owen promises in his next article to analyze the Budget proposals and the discussions thereon.—Ed.]

The Country of the Future

By JOSEPH DANA MILLER

SOMEWHERE in time remote and far
The boundaries of that country reach
From Southern seas to Polar star,
To all who are of human speech.
What matter medleys strange of tongue
Where smiles are language—where they tell
Their story to a world grown young
Of Love at last made audible.

How gloriously bounded then,
The Land that craves not War's renown—
Eastward by love of yellow men,
and northward by the love of brown.
Bounded by love of all men East,
And by the love of all men West,
The arms of highest and the least
Are shields about their breast.

No Hun or Vandal horde prevails
O'er land where serfs are not, nor lords,
Though here are playgrounds that were jails,
And plowshares that were swords.
Nor eye their boundary descries
Who flung from them all vulgar fears,
Nor are the slopes of Paradise
Wider than their frontiers!

God waits upon that people—they
Who find their soul what time they choose,
And gain their glory on the day
They their dominions lose.
God waits them—from His templed cloud
He seeks them with a patient eye—
The people who, no longer proud,
Build empires in the sky!

Population and Land Values

The Sydney Rating System

By A. G. HUIE

ONE of the pretenses set up by critics of land value rating is that it will promote overcrowding and the development of slums. It is suggested that as buildings will be exempt from rates landowners will seek to make more intensive and undesirable use of land. As this is a land speculator's argument it is, while plausible, suspect.

Sydney has no slums in the sense that they are known in the older cities of the world. There are to be sure many poor dwellings in the older portions of the city and nearer suburbs. We speak of them as slums and many of them are regarded as being unfit for habitation. Judged by modern standards this is correct.

It must, however, be clearly understood that all these "slum" buildings were erected long before rating on land values became practical politics. In the old days, every building was rated as soon as it was erected. If additions were made the rates were increased. Rating houses meant inferior houses crowded together and a good time for land speculators.

With rating on land values a great change came over the scene. Population spread out and better houses were built. We are able to submit a table of figures which confirms this view in a way which should satisfy anyone but a land speculator. We have divided the Sydney district into six zones.

For each area we give the acreage and population in 1908 and in 1937—a period of 20 years. It includes the whole of what is known as the metropolitan area. It consists of the city of Sydney, its 48 suburban municipalities and three suburban shires.

We have also added six areas to the outer zone because they are as near and as much suburban areas as others which are included. That is a total of 53 municipalities and five shires—in all, 58 local governing areas. That is an even more accurate statement of what is really Sydney than the area recognized officially.

AREAS AND POPULATIONS

The table below shows that the living populations have declined in the two inner areas while they have increased in the outer areas where the people have much more room.

ZONE	ACRES	POP. 1908	PER ACRE	POP. 1937	PER ACRE
City of Sydney ...	3,220	127,460	39.58	88,270	27.41
Second Zone	5,264	165,450	31.40	156,500	29.73
Third Zone	15,527	143,300	9.02	275,190	17.73
Fourth Zone	36,078	104,292	2.89	371,900	10.31
Fifth Zone	95,191	93,890	.99	378,270	3.97
Sixth Zone	501,868	35,060	.05	120,660	.24
	657,148	669,452	1.02	1,390,790	2.12

It will be seen that there has been a substantial drop in population in the City. That, however, refers to the resident

population. The working population has substantially increased. For example, in one building 1,000 persons are employed where a few years ago there were only a small number in old buildings on that site.

In other parts of the city factories and warehouses have been built, employing many hands. Formerly the land was occupied by old terraces. The bulk of the people who work in the city live in the outer suburbs. In the second zone the building of factories has gone on to a lesser extent. Here also there has been a decline in the resident population.

POPULATION MOVEMENT

Let us now see how the resident population has declined in the two inner areas and increased in the outer.

ZONE	1908	1937	P. C. OF DECLINE
City of Sydney	127,460	88,270	30.74
Second Zone	165,450	156,500	5.41

There you have a definite decline where population was densest, when rating on land values was established. It is clear evidence that land value rating has not crowded the people together.

			P. C. OF INCREASE
Third Zone	143,300	275,190	92.03
Fourth Zone	104,292	371,900	256.59
Fifth Zone	93,890	378,270	302.88
Sixth Zone	35,060	120,660	197.46
	669,452	1,390,790	107.75

The greatest increase is in the fifth zone where the population now is barely four to the acre. These figures should show clearly how the population has spread out since the adoption of rating on land values.

HOW LAND VALUES HAVE INCREASED

Let us now consider the movement in land values. The greatest increase is in the fifth zone where the increase in population was also greatest.

ZONE	L. V. 1908	L. V. 1937	INCREASE	P. C. OF INC.
City of Sydney	£20,207,812	£47,822,749	£27,614,937	136.65
Second Zone	5,878,603	9,969,010	4,090,407	69.58
Third Zone	8,194,772	24,271,178	16,076,406	196.17
Fourth Zone	5,985,104	27,496,410	21,511,306	395.41
Fifth Zone	5,274,398	29,649,011	24,374,613	462.13
Sixth Zone	2,179,048	10,988,202	8,809,118	404.25
	47,719,737	150,196,560	102,476,787	214.74

The increases in land values in the inner areas reflect the increases in the daily working population. In the outer areas they are due to the increases in the resident population. It is quite clear from these figures that rates on land values, such as have been imposed under our system of local government have not prejudiced the source of local revenue, as land values have increased at a greater rate than the population. This confirms our view as to the ability of land rents to provide all necessary public revenue.

The Critics Criticized

By JACOB SCHWARTZMAN

[This is the fourth of a series of articles by the same author, dealing with the objections of noted economists to the doctrine of Henry George, and the refutation of such objections. The first in the series, published in the November-December 1940 issue, answered the objections of Prof. F. W. Taussig. The second, in the January-February 1941 issue, answered those of Prof. H. R. Seager. The third, in the March-April 1941 issue, dealt with a contemporary of Henry George, J. B. Miller.—Ed.]

HAVING answered some early critics of Henry George, I shall now turn to two modern critics, whose jointly written book appears in most reputable public and college libraries. The book is, "Economic Problems of Modern Life," and the authors are Prof. S. Howard Patterson and Prof. Karl W. H. Scholz (McGraw-Hill Co.).

(Samuel Howard Patterson, born in 1892, is a Professor of Economics at the University of Pennsylvania, and the author of several works on economic and social subjects. He is a member of the Pennsylvania State Educational Association, the American Economic Association, the American Association for Labor Legislation, and other societies.

Karl William Henry Scholz, born in 1886, is also a Professor of Economics at the University of Pennsylvania. He is the economic advisor of the Business Clinic, Inc., and a member of the Economic Association and the Academy of Political and Social Science.)

In "Economic Problems of Modern Life," the following objections to the single tax are presented:

1—Communities may develop varying rents, and a rapidly growing community might not derive sufficient revenues from the single tax to keep pace with its various collective needs.

2—A single tax would be undesirable, as there are other monopolies which would then not be taxed.

3—It would be inflexible; it could not be increased to meet urgent public requirements in times of national emergency.

4—It would involve wholesale confiscation of land.

5—It would be difficult to administer, since it is practically impossible to distinguish between capital invested in permanent improvements on land, and unimproved lands. To appropriate the entire income from improvements would be to impose a tax in part upon the fruits of human labor. (Sic)

* * *

The following are my answers to the aforementioned objections:

(1)

The fear that a rapidly growing community might not derive sufficient revenue from the single tax is easily assuaged by the fact that as a community grows, rent grows with it. Rent itself is an indicator of the rise of the people's

needs. The greater the needs, the greater becomes the demand for land—and the greater becomes the value of such land. Thus rent is always a measuring rod of the people's fluctuating demands.

(2)

It is true that under the single tax other monopolies would not be directly taxed, but such taxation is not necessary. All monopolies are based either on the private ownership of land or on inequalities which are the result of such ownership. The shutting off of productive enterprises by land monopoly results in unhealthy growths which feed upon the natural production of the community. These cancers, which we call monopolies, would disappear with the abolition of private ownership of land. With free access to the resources of nature, labor would receive wages commensurate with its produce, and capital would receive real, not spurious, interest. The competition of a free market would tend to destroy monopolistic practices.

(3)

If a national emergency should arise, the cost of which could not be covered by rent, the temporary recourse to other forms of taxation would not be an argument against the single tax any more than the sacrificing of human life during an emergency would be an argument against the preservation of life. However, it is difficult to imagine any emergency that could not be met by the rent of land. Furthermore, it is no argument at all to say that, because the single tax *might* not be sufficient, and *might* cause us to resort to other forms of taxation, we should therefore retain all the taxes we have today, most of which brutally stifle production.

(4)

The authors probably imagine that by using the word "confiscation" they will frighten people away from the single tax. It apparently does not occur to them that the word "confiscation" could much more justifiably be applied to our present system, in which human labor is continually being confiscated by the pompous "owners" of God's earth.

If the solution to our present-day ills were confiscation of land, it should not be regarded as a terrible thing. However, single taxers do not propose to confiscate land, or even titles. The present owners would be welcome to remain on the land they now "own," if they pay the full rent to the community. Only such rent would be collected, and since the community itself creates the rent, certainly its collection cannot be called "confiscation."

(5)

This fifth objection is the one which appears most frequently as a refutation of the single tax. I have already answered it twice in previous articles, and believe that I can now state categorically that it is possible to distinguish between land and improvements.

The second part of the professors' fifth objection is somewhat obscure. Do they mean that under the single tax improvements would be taxed? If so, it is simple to point out that the single tax is one tax placed upon land values only. Whether improved or not, land bearing the same rental would be taxed equally. Improvements do not cause the rise of rent; the true cause is the growth of the community, which results both in improvements and the rise of rent.

Primitive Concepts of Property

By PAVLOS GIANNELIA

IN his work, *Les Noirs d'Afrique* (Payot, Paris), Maurice Delafosse gives the following interesting particulars on the conceptions of the African natives in respect to landed property:—

The land, according to the natives, does not belong to any individual; neither does it belong to the whole community, as has often been erroneously averred. It is considered as belonging to the original inhabitants, or to the local deities who succeeded these pioneers, and represent them. In fact, the land itself is a deity whom nobody dares to think of appropriating! However, by offers and sacrifices, regulated by the proper rituals, the black family that first reaches an unoccupied site acquires from the local deity the right and privilege to use the land. This right is handed down from one generation to the next. In the hands of appointed ethnic groups, formed by the descendants of the first family, rights and privileges to use the land can be granted to others (gratuitously or otherwise), after the necessary rituals. However, there is no absolute ownership, or transference of ownership.

Every community possessing rights and privileges to use a given site has a chief who is usually the patriarch of the oldest family and bears the name, "master of the land." He is also the leading priest of the local religion but not necessarily the political leader. Even when the tribe falls under the yoke of another conquering tribe, the "master of the land" retains an intangible prestige. The political chief can do nothing without this master when there is the question of a sacrifice for the local deities, or a distribution of land. The conquest gives no rights over the land. The most outstanding Negro conquerors have respected this tradition.

The African natives do recognize private ownership of the products of labor. The worker possesses the fruits of his labor, and can decide how to use, give, sell or borrow it. The product of the individual's labor passes to his successors upon his death. The things produced by the community are collectively owned, and only the community can dispose of them. The agricultural worker, while not owning his land, does own the grain he sows and reaps.

The findings of M. Delafosse coincide with the observations of Mr. Josiah Wedgwood, our fellow Georgeist of the English Parliament, during his sojourn in Nigeria and South Africa, where the flourishing towns of Kano, East London and Johannesburg adapted the Georgian principles to the native legislation.

Turning now to the American Indian, it is certain that the concept of absolute ownership of land was foreign to the red man. In an article in the *National Geographic Magazine* (1936), the author relates the pathetic story of the transaction between the Indian and the Dutch Peter Minuit, whereby the latter obtained the island of Manhattan for the equivalent of \$24. The author explains that the Indian chief certainly mistook the importance of the act, which he interpreted as a temporary authorization to the use of the land, but not as a definite cession forever. He adds that there was no other mistake in the relations between the American pioneers and the natives which cost more blood than this conflict of ideas on land tenure.

I sometimes wonder if this Indian conception of property did not prepare the mind of Henry George to solve the riddle of the Sphinx of modern civilization. Unconsciously influenced by the conceptions of his red-skinned countrymen, George found the "commonplace reply of a passing teamster to a commonplace question," enough to crystallize "as by lightning-flash, my brooding thoughts into coherency, and I there and then recognized the natural order . . ."

In addition to the blacks and the reds, we also find evidence of the same conceptions of landed property in the yellow race. The German land reformer, Schrameyer, as governor of the Chinese colony of Kiauchou, applied the single tax reform, and found that it was applicable to the old Chinese land laws. His reform caused the insignificant seaport of Kiauchou to become within a few years one of the most important ports in China.

The similarity of all these primitive conceptions on land in reference to property and use calls to mind the words of Henry George ("Progress and Poverty," B. VII, Ch. 4): "The common right to land has everywhere been primarily recognized, and private ownership has nowhere grown up save as the result of usurpation. The primary and persistent perceptions of mankind are that all have an equal right to land . . . Wherever we can trace the early history of society, whether in Asia, in Europe, in Africa, in America, or in Polynesia, land has been considered—as the necessary relations which human life has to it would lead to its consideration—as common property, in which the rights of all who had admitted rights were equal."

. . .

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Three Theories of Rent

By RAYMOND V. McNALLY

[The following article challenges the orthodox conception of rent and sets forth a new theory that, in the author's words, "represents a sharp break from the Ricardian concept." The first part of the article is presented herewith; the second and concluding part will appear in our next issue, following which appropriate comment will be made.—ED.]

IN these days of economic depression, wars and political confusion, the rent question assumes a position of paramount importance. Current literature dealing with governmental regulation of industry and so-called rugged individualism, democracy and dictatorship, statism and individual rights, is, for the most part, merely a repetition of what has been written in the past and indicates no awareness whatsoever of the real significance of the phenomenon of rent* in modern society. It is my firm belief that a clear understanding of this phenomenon would throw a brilliant light on all the economic and political problems that are plaguing mankind today and would eventually lead to their solution.

I do not believe that it is claiming too much to say that those who have been engaged in serious, scientific investigations on this subject, may be classed among the advanced thinkers of this age. A great deal of progress has been achieved, but, as is inevitable in all such investigations, different opinions and different conclusions are bound to arise when a certain stage of development has been reached and lines of thought diverge in the shape of definite and mutually opposing theories. Therefore, it seems to me appropriate at this time to reappraise these various theories with a view to eradicating those beliefs that are based on mere opinion or assumption and to retaining those that have been tested by the facts of life. Naturally, I am addressing this to those readers who are scientifically-minded, and who, therefore, knowing that they do not possess the whole truth, are eager and fearless enough to tread unfamiliar paths in order to gain, if possible, more enlightenment on this very important matter. Now, as lack of space is the controlling factor, the following examination cannot possibly be an exhaustive one. I shall only offer the highlights of each theory and hope that the reader will be inspired by my few deductions and conclusions to develop them further himself.

Broadly speaking, there are three schools of thought relating to the nature of rent. The first frankly supports the Ricardian concept and numerically is the strongest of

the three. I shall call this school the Ricardian. The second formally rejects the Ricardian theory; but while it represents an advance in some respects over the old theory, it nevertheless contains certain Ricardian characteristics. This school, therefore, I shall refer to as the neo-Ricardian. The third advances a theory that represents a sharp break from the Ricardian concept and differs also from the neo-Ricardian in that it insists upon an accurate description of economic life *as it is today*. It contains the seed of a revolution in economic and political thought. I shall call this the Realistic School.

The Ricardians

The Ricardian theory is accepted by most academic economists with varying qualifications. Briefly, it is this: Rent is the excess of wealth that is produced on land over that which an equivalent amount of labor can produce on the poorest land in use—i. e., on free land at the margin. According to this theory, the best land is cultivated, first, but interpreted broadly, the superiority of land is determined, not only by its fertility as compared with that of land at the margin, but also by its proximity to the markets and to governmental and cultural advantages. It is assumed that the landowner is a non-productive individual and is in no way responsible for either the existence of these advantages or their availability.

The favorite example that is offered to prove that rent is determined by the difference between the products of different grades of land is this: A goes to an island and makes a good living by using a portion of the land. B follows and finds with the same degree of exertion that he can only make a poor living as compared with A by using the other land available to him. The difference between these two standards of living is regarded as rent. In this illustration, nothing is said about government services, and so we must assume that no such services exist. In other words, as there are no policemen to protect A from the encroachments of B, A could not prevent B from sharing the better land if the latter were envious of his favorable location, unless he devoted part of his time and labor to standing guard. While he stood guard, he could not produce any wealth, so that in all probability, he would not be able to profit from his use of the better land. Thus the products of the two grades of land would tend to an equality and no rent would arise. A could only enjoy a higher standard of living if he were stronger and more skilled than B, but in that case the difference would be wages, not rent.

* Ground rent, as distinguished from the payment that is made for the use of a building, a machine or any other article.

But let us assume now that A enjoys the benefit of police protection. In one week, he can produce 10 bushels of corn. In the same time with an equal amount of labor and skill, B can only produce five bushels of corn. As A's excess of five bushels was made possible only by the police protection, he is compelled to turn it over to the policemen as their compensation. Thus his superior location avails him nothing, and he finds that he is living in a fool's paradise.

Looking at the matter from another angle, let us suppose that no policemen are necessary, that B recognizes A's absolute right to his land and makes no attempt to disturb him. In this case, A would certainly enjoy a decided advantage and the excess of his product over that of B the Ricardians would term rent. But is the question as simple as all that? Where in civilized society does such a situation as this exist or ever did exist? Not by the wildest stretch of the imagination can we tie it up with economic life as we know it. Such a situation represents a purely primitive economy—in other words, an individual economy—whereas we are living in an exchange economy. If the Ricardians are to prove their case, their theory must be applicable to an exchange society. They might try to make such an application by claiming that B would be willing to pay A five bushels for the use of the better land. It is doubtful if B would do this, for after such a payment his standard of living would be no higher than he enjoyed when he used the poorer land. If he paid only four bushels, then rent would not be the excess product but only *part* of the excess product. And if B were willing to pay four bushels for a one-bushel advantage, it is just as reasonable to expect that A would be willing to accept only one bushel as rent in exchange for a four-bushel advantage. In other words, rent might be anything from one bushel to five bushels, but this would be inconsistent with the original Ricardian assumption that rent is the excess product.

In order to give this theory as fair a test as possible, let us assume that instead of A and B exchanging products for land, they perceive the advantage of exchanging products for products. In order to be on a par with A, B would produce something else besides corn—say potatoes. They sell them or part of them in the open market. The same amount of labor and skill has produced twice as much corn as potatoes. Thus B would receive in exchange twice as much wealth for a bushel of potatoes as A would for a bushel of corn. Ten bushels of corn then would be equal in value to five bushels of potatoes, and as A would enjoy no excess, no rent would arise.

The conclusion that we must draw, therefore, is that no one can profit from the natural advantages attaching to land, whether he be a farmer, a manufacturer, a banker or a landowner. No rent is paid for such advantages. They are equalized through the process of exchange. The law

of the market is that nothing can demand a return that has not been brought into existence, either directly or through exchange, by the labor of the seller himself. If A did not own the land but rented it from someone, he could not afford to pay any rent without risking bankruptcy. He could only pay rent if he enjoyed some advantage or service at his location which could not be dissipated by exchange, and if at the same time he were a better laborer than B and produced more wealth. Such service could not withstand dissipation unless it were the result of human exertion. The Ricardians, however, claim that men of equal ability use different grades of land, and it is this false assumption that prevents them from adequately explaining the phenomenon of rent. In actual life, only the ablest men use the best land. As we cannot compare the products of men of different abilities, we cannot logically say that rent is determined by the excess of wealth produced on land over that which is produced on the poorest land in use. Rent is not a differential except in the sense that the price of anything is a differential, for if the foregoing reasoning is correct, the margin cannot be considered as a factor in determining rent.

The Neo-Ricardians

This school seems to recognize the law of the market so far as it concerns the cooperation of nature, i. e., they insist that rent cannot be charged for the free gifts of nature. According to them, rent is payment for governmental and social services. The social services consist of transportation systems, theatres, churches, commercial and professional establishments and private museums, art galleries, schools and hospitals. It is admitted by the neo-Ricardians that the direct services of these agencies are compensated for in the prices that individuals pay for them. Thus, a person who benefits from the service rendered by a theatre pays the price at the box office, the person who attends a school pays the tuition fee and so on. But it is contended that in addition to the direct services rendered by these agencies, they render an indirect or "stand-by" service for which they are not compensated. By establishing themselves near certain locations and holding themselves ready to satisfy the demands of the occupants of sites, they make these sites more valuable. This "stand-by" service is paid for in the rent that goes into the pockets of landowners, according to the neo-Ricardians. They admit, however, that these enterprisers must carry the overhead cost of this "stand-by" service.

Now it is a matter of business practice that *all* the costs of a business concern are included in the price of the article or service it sells, for otherwise it would be forced to discontinue operations. In fact, a large part of the service rendered by business or professional men consists of "stand-by" services, and there is no valid reason for drawing a

distinction between "actual" services and "stand-by" services. The owner of a retail store, for instance, carries goods on his shelves for a long period before selling them and he employs salesmen to wait for customers to come in at their convenience. The cost of carrying these goods consists of depreciation, obsolescence and interest on his own or borrowed capital, and the cost of waiting for customers consists of the rent he pays for his store and the salaries of his salesmen. All these costs are included in the prices he charges. It is claimed that because the occupant of the site must pay more rent due to these "stand-by" services, he has less in hand with which to buy the "actual" services of these private enterprises and so these enterprises suffer. If he paid less rent, he could buy additional "actual" services, and this, it is said, would compensate for the cost of the "stand-by" services. How some men stay in business a long time and show profits without being compensated for these "stand-by" services, the neo-Ricardians fail to explain. The assertions they have made in this connection are mere assumptions not verified by observed facts. They have no place in a scientific investigation.

We have eliminated the natural advantages of land (including proximity to the markets) and social services as elements in the determination of rent and have left now only the governmental or public services. But while the first two do not give any value to sites, they do give the sites utility. Value and utility, however, are not the same thing, and I believe that it is the failure to distinguish between them that leads to erroneous conclusions. The neo-Ricardians correctly state that a man is free to purchase public services such as highways, police and fire protection, sewerage systems, libraries, sanitation, parks, etc., in the open market. He decides for himself the quality and quantity he desires. All is a matter of exchange in which efforts of one kind are exchanged for efforts of another kind. They state definitely that this natural payment *always exists* wherever these services are provided and they designate it as rent. But then, surprisingly, they contend that this process of exchange is *not* permitted to operate today, because rent is paid to a private landowner instead of into the public treasury. This payment, therefore, they claim, is a one-sided transaction and not an exchange. But if this process of exchange by which a man pays rent for public services does not operate today, how then could they have been able to describe it? Has it *ever* existed? Apparently they do not believe so, for they do not tell us where we might find it.

Now a payment that is not the result of an exchange but is a one-sided transaction is the same as a tax, i. e., it represents a seizure of one's private wealth. Thus the neo-Ricardians apparently believe that there are two kinds of rent—one a *compulsory* payment which they say is actually made today, and the other a *voluntary* payment which exists

only in some utopian realm created out of their own imaginations. How a single term can be applied to two entirely antithetical phenomena and still give one a clear picture of a certain phase of economic life they fail utterly to explain. Their assertion that rent is a voluntary payment but that it is non-existent today reads more like a normal precept of what rent *ought* to be rather than like a scientific description of what rent *actually is*.

The question naturally arises: Why does rent constitute a compulsory payment when it is made to a landowner and a voluntary payment when it is made to government officials? The neo-Ricardians answer it by saying that in the first case men are not free to refuse to pay rent because it is not possible for them to get off the earth. Now we know that men are land animals and that they cannot leave the earth unless they become disembodied spirits, but this fact has nothing to do with the economic question. Men do not pay rent for land as such, and no one knows this better than the neo-Ricardians themselves. To claim that the private collection of rent leaves men no alternative but to get off the earth (something which by their very nature they cannot do) is to assume that there is a scarcity of land in the aggregate, either natural or artificial. The neo-Ricardians vigorously and repeatedly denounce the Ricardians for making this matter a land question, but apparently not perceiving the cause of this error, they have fallen into the same trap themselves. While we know that there is a scarcity of certain kinds of land, i. e., of particular locations, no evidence has ever been produced to show that a scarcity of land in the general sense exists. The neo-Ricardians assume that men have no alternative but to get off the earth because they make the mistake of viewing rent in the general sense rather than in the specific or relative, sense.

Of course, civilized men cannot refuse to pay rent any more than they can refuse to pay for the food they eat or the clothes they wear, but they *can* and frequently *do* refuse to pay the rent that a *particular* landowner demands for a *particular* location by going to some *other* location. If we view economic life objectively without bias, we observe that landowners are constantly competing with one another for tenants. Even the owners of the poorest sites, if they possess good business judgment, are deterred from demanding too high a rent by the fear of losing their tenants or prospective tenants to the owners of better sites. Men are *absolutely free* to refuse to occupy a particular location, for no landowner threatens them with violence or coerces them in any way. The rent is not fixed by the will or caprice of the landowner but by the market. Therefore, we are left with no other conclusion but that rent is *not* a compulsory payment today but a voluntary one. The tenant pays his rent after he has entered into a free contract with the landowner. To claim, as the neo-Ricardians do, that the market is not free is equivalent to saying that there is no market

at all. Unless we believe that landowners are not constituted like every one else, it is reasonable to assume that, as a class, they are just as anxious to receive an income as other people are, and they cannot receive an income unless their land is occupied.

The curious lack of realism in the reasoning of the neo-Ricardians is even more in evidence in their attempt to show why rent would constitute a voluntary payment if it were made to government officials. Rent would be fixed by the market, they say, but apparently it would be a different kind of market than the one that now fixes the value of private services. The market that we know is one in which buyers and sellers bargain with one another in order to determine the prices of things and in which landowners and tenants bargain with one another in order to determine the rental value of sites; but the market that they envision for the fixing of rent would consist only of buyers. The public services would be provided by the public through its so-called agent, the government, but the public officials would not bargain with the users of land. They would not make assessments, or "nominate" or "fix" the rent in any way. They would merely collect it. Just how the officials would know the exact amount of rent they should collect is not explained. We are told that there would be no auctions. This means then that there would be no bidders and no sellers and thus no bargaining. Rent would be determined, it is said, by "public opinion." How this "public opinion" is to be expressed, the neo-Ricardians fail to divulge. As a matter of fact, the public today has opinions about rental value, but these opinions are influenced by real estate interests who are in actual contact with the market. But opinions frequently are wrong. The fact that one site brings a certain rent does not guarantee that a similar site will rent for the same amount. In fact, it would not be rented at all if there was no demand for it. Witness the difficulties of conscientious public assessors who assess land today by comparing one site with another. A subsequent sale or rental shows how wide of the true value their assessment was.

The "public opinion" that the neo-Ricardians have in mind would be even more nebulous. The real estate interests, in the situation that this school imagines, would be interested only in buildings and other improvements, not in land, and so would have no opinion to express that was based on actual *contracts* between landowners and tenants. Such opinion, to be effective, would have to be founded on facts of some kind. It would have to fix "rent" according to the site-users' ability to pay or according to the needs of the government. If the former, it is natural to assume that the site-users would tend to conceal such ability. But here the neo-Ricardians abandon economics (if indeed they have not already done so) and assume the role of psychologists.

They say that in order to understand this question of "public opinion" it must be realized that "the psychology of the situation would have been completely reversed by the consciousness that rent is a debt due the public." The user of the site would gladly pay whatever "public opinion" decided because it would be the "patriotic thing" to do, like "saluting the flag." Whether or not they believe that the site-user would be expected to pay in rent all that he produces above a bare subsistence we do not know, for they do not commit themselves. If this was expected of the site-user, then we would have a situation akin to early Christian communism. It is fair to assume, however, that the neo-Ricardians do not favor anything like communism, Christian or otherwise; but that leaves "public opinion" in a dilemma. Exactly how much wealth would it permit the producer to keep for himself? In order to find something definite on which to base its opinion, the public would be forced to ascertain the actual needs of government. That would mean appealing to the government officials who could safely be relied upon to fix the "rent" at "all the traffic will bear." But the man who has to pay the "rent" would not protest, for we are assured that once people understood what rent was, it would be looked upon as a "preferred debt." The reader can decide for himself whether or not this psychology is sound. The majority of the people today believe that taxes are paid for public services and that they are a "preferred debt," but yet they do all in their power to avoid paying them. Unless we are to ascertain some miraculous power to the word "rent," it is reasonable to assume that they would react in exactly the same way toward the payment of "rent" if it had to be made to public officials. Now as rent is a *voluntary* payment (and this is admitted by the neo-Ricardians), a payment made to public officials under compulsion would not be rent at all. It would be a tax. Land nationalization would be the result with all of the corruption and inefficiency which that would entail. Private industry would be even more at the mercy of the state than it is today, and the trend toward state socialism would be greatly accelerated.

In spite of the efforts of the neo-Ricardians to avoid the fixing of the "rent" by public officials, they have, through their repudiation of the democratic process of the market, played right into the hands of the bureaucrats. I do not mean to say that this repudiation is deliberate, but I mean that like the Marxist they fail to understand the market or exchange system as it operates today. This is the real cause of their confusion. They might have avoided this confusion if they had applied to the rent question their favorite dictum that opinion has no place in economic science. I shall discuss the true nature of the market, when I consider the third theory of rent, in more detail than I have thus far done.

(To be concluded in the next issue)

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

In May 1909, Winston Churchill, in the House of Commons, made one of the best speeches of his career on land value taxation. In Edinburgh, Scotland, the following July, he spoke again on the subject. Both speeches are contained in a pamphlet we have just published, the price of which is ten cents a copy.

Another new pamphlet to be added to our list is "The Land for the People," a speech which Henry George made in Tomnebridge, Ireland, in 1889. The price of this pamphlet is five cents.

A third addition to our collection is "A Business Man's Religion," also five cents. This is a reprint of the letter which Joseph Fels wrote in reply to an appeal for funds made by the Dean of a Theological Seminary. It is a dramatic presentation of the Georgeist principle of "justice, not charity."

Through the generous cooperation of the author, we have a limited supply of two more Louis Wallis books which we are able to offer at greatly reduced prices. Both books are bound in cloth. One, selling at twenty-five cents a copy is, "State of War Permanent Unless. . ." Professor Ross of the University of Wisconsin said of this book, "It contains some startling facts which are hardly known in America." The other book, "Sociological Study of the Bible," is a scholarly work of more than three hundred pages. It goes back to the earliest days of civilization to show that the vital religious ideas of Christian society took shape in response to a social pressure as tremendous and compelling as that in which we live today. The price of this book is one dollar a copy.

Last week we had an opportunity to purchase a few dozen copies of "Picking America's Pockets," by David L. Cohn. This book presents a lucid, penetrating and authoritative argument which explodes many of the fallacies which have bedevilled American thought on the tariff question. However, its main interest to us is its wealth of factual information, most of which it is extremely difficult for the average reader to assemble for himself. The book is twenty-five cents a copy.

The question is often asked, "What can I do to spread a knowledge of Henry George?" There are, of course, as many different ways as there are Georgeists and it is up to each one of us to choose the way which can best be utilized in our daily life. Mr. Matthew Van Leeuwen of Franklin, Mass., found that the many contacts he makes through

business and in a social way provided a splendid field for the distribution of literature. Occasionally he gives a book away, but he is of the opinion that if he can sell the book it has a greater value to the one who buys it. The difference between what he pays us for the books purchased in quantities of ten, and what he charges the individual purchasers, creates a small revolving fund for the constant replenishing of his stock. So far he has put about a hundred books into circulation and many hundred pamphlets.

By a similar method and using the contacts she makes through her church work, Miss Adelaide Youngman of Dunellen, N. J., has put a hundred or more books into the hands of likely prospects. An interesting side-light on Miss Youngman's work is a letter she received from a woman minister in Shellong, India, to whom she wrote regarding "Progress and Poverty." This minister, who is in charge of several churches in India and has also organized a boys' school in that country, wrote as follows: "I was delighted to get your letter which reached me in the midst of my Punjab trip. I was interested in your remarks on Henry George's 'Progress and Poverty'—a book for which I have long had a very keen appreciation. I believe he was one of the acutest observers and prophets that the Western world has produced. But, as with most of his fellow-prophets, being despised and rejected, the world has not yet begun to understand and listen to him."

Too numerous to mention are the people fitting this kind of valuable work into the regular pattern of their daily lives. One good friend in Chicago has circulated five hundred books. Henry George's own daughter, Mrs. Anna George de Mille, hardly lets a week go by without putting a book in the hands of someone she has met who has proved responsive to her prefatory talk about her father's philosophy.

This work needs ingenuity and perseverance, but it is rich in its reward. Why not try it?

Henry George School of Social Science

HEADQUARTERS

Commencement exercises took place at the Engineers' Auditorium on May 8. About 500 students graduated from the January session. The guest speaker was Rabbi Ira Eisenstein, who spoke inspiringly on "Education as a Means and as an End." Mrs. Anna George de Mille also addressed the group, and there were four student speakers. Leon Arpin, a member of the faculty, was Chairman.

William Newcomb, co-author of "You and America's Future," believes in the visual method of propagating

Georgeism, and is now engaged in various motion picture projects at the Henry George School. Several outstanding documentary films were presented in the School auditorium, including "The City," "The River," and "The Plough that Broke the Plains." At present Mr. Newcomb is conducting a class in Motion Picture Theory, which meets at the School every Thursday, and which includes lectures by outstanding specialists in this field. Mr. Newcomb and his class are engaged in producing a slide film for the School, and are also working on a short documentary motion picture.

Classes at headquarters will continue through the summer, including the course in "The Science of Political Economy."

EXTENSIONS

"Sumer is i-cumen in," and the various Extensions of the School are rounding out their Spring semester.

The Chicago School, largest Extension outside of New York, held its annual banquet May 12. Hon. Francis Neilson was guest of honor. The occasion was a celebration of seven years of School work in the Windy City. Hon. Max M. Korshak, School's treasurer, reported that 639 students had completed the basic course during the past year, bringing the total to 2160 since the first Chicago class in 1934. Sixty teachers, 300 secretaries, and 500 financial contributors have made this work possible. The budget of \$5000 for the coming year was met in good part by spontaneous contributions at the banquet, totalling \$1339.

Edwin Ross, Philadelphia Field Director, writes: "The first step in the organizational part of the work here is now complete. A Trust has been formed and duly recorded with the following persons named as Trustees: Julian P. Hickok, President; Samuel L. Green, Vice President; Burton N. Jones, Secretary and Treasurer; Lucia M. Cipolloni, Anna H. Ross, Henry George III, Francis Fee, Ernest Schneider, Harold Sudell, and Charles B. Scheerbaum. Our first objective will be a fund-raising campaign, to enable us to appeal to a very much greater number of prospective students for the Fall term, and to secure office space." Philadelphia's commencement exercises were held June 5, at the Central Y. M. C. A. About 125 graduates and friends attended.

In St. Louis, Mo., five classes are nearing completion. This term will end the second year of the St. Louis School, during which time 300 students will have been exposed to the philosophy of Henry George. In addition to classes, Forum Meetings for graduates are conducted with a view to clarifying understanding of the economics studied in class. The St. Louis School work and fund-raising is carried on for the most part by graduates.

In various parts of New Jersey, seventeen classes of the Spring session have been completed. Graduation exercises were held April 25. There were about 100 graduates. A

teachers' training course will be conducted during the Summer to prepare teachers for the coming Fall term. New Jersey also has its own Speakers' Bureau, conducted by Mr. Donald Richardson.

The Boston Extension is operating under the auspices of the newly formed Henry George Institute of New England. Enrollments of the Spring classes totalled 229. The Institute is now well under way and much progress has been made in the coordination of the many activities. A Speakers Bureau is active, under the management of Mrs. Grace Dahl, in securing many engagements for Georgeist lecturers. A monthly news bulletin is being published by the Institute, offering news of the work; its current issue carries an "Honor Roll of Workers." The "muster roll" does not fall on deaf ears in Boston!

Henry George Committee for Legislative Action

Over a thousand copies of "A Legislative Framework for the Philosophy of Henry George" are now being distributed to legislators throughout the country—U. S. Senators and Representatives, Governors of States and Territories, State Senators and Assemblymen, and Mayors of leading cities. A card is enclosed with the Framework, which reads: "Dear Legislator: There is an untapped source of revenue which, if taken, would go far towards meeting governmental needs in the present emergency. May we earnestly suggest that you give your attention to the enclosed framework of laws."

The Framework has been introduced at a meeting of the Civil Service Forum of New York City, by Mr. Charles A. Kee. The Forum is an influential civic organization. If the Forum recommends the Framework, it will carry much weight with the legislators.

Many testimonials on the Framework have been received, and proposals to make practical use of it are under way.

William Allen White has written: "You have framed a most interesting legislative program for the single tax philosophy. I should say that it could not be improved upon. But I should also say that we should go one step at a time."

William Jay Schieffelin wrote to Mr. Harry Maguire, of the Framework Committee, as follows: "The 'Legislative Framework' is well thought out. I am referring it to our Committee on Legislation. I do not think the legislature would adopt it, because the great argument in support of the Single Tax, namely, the 'unfair unearned increment', has vanished."

Mr. Maguire has replied to Mr. Schieffelin as follows: "You may be correct in saying that there has been no unearned increment in land for several years. There never is after a panic. There always is an unearned increment before a panic and it is the chief cause of it. New York City assesses land at 7 billion dollars, which means that its owners re-

ceive 350 million dollars after paying taxes to the city. The Henry George people want to take this 350 million dollars and remove all taxes from buildings. If this process were followed throughout the United States all men would have equal rights to land, and we believe that business depressions and unemployment would be no more."

Some replies have been received to the invitation, in the last issue of *LAND AND FREEDOM*, to form local Committees in cooperation with the Central Committee, for the purpose of distributing copies of "A Legislative Framework for the Philosophy of Henry George" and securing its introduction in legislative sessions. A Committee has been formed in Hartford, Conn., under the direction of Mr. Nathan Hillman, and other Committees are in the process of being formed.

The Central Committee again invites readers to cooperate in this work. Information, and free copies of the "Legislative Framework", may be obtained by writing to the Central Committee, care of *LAND AND FREEDOM*, 150 Nassau Street, New York, N. Y.

Manhattan Single Tax Club

The Club's campaign to get the Sanford Bill passed in the New Jersey Senate is progressing. This Bill would grant local option in removing taxes from improvements and increasing taxes on land values. Mrs. Olive C. Sanford, the Assemblywoman after whom the Bill is named, is herself active in propagating the principles for which the Bill stands.

"A test vote," writes Charles H. Ingersoll, President of the Club, "has proved our strength sufficient to carry the Assembly, and we are now working with the Senators. Mrs. Sanford and Harry Haase are working in close cooperation with Mr. Alfred Chandler, and are covering the 81 legislators individually." Mr. Ingersoll himself has devoted most of his time interviewing editors, and has succeeded in getting many fine stories in New Jersey papers, among them the *Burlington Home News*, the *Lakewood Citizen*, and the *Trenton Evening Times*. This latter paper said editorially: "Advocates of the Sanford bill sincerely believe that they have something worth while. . . The least the Legislature can do is subject the proposal to careful analysis. There's just a chance that the single taxers may be right."

The campaigners are optimistic, and believe the Bill will be passed.

American Alliance to Advance Freedom

A general Alliance meeting was held May 16th, at the City Club Building. The subject of this meeting was "After the War—A Georgeist Peace?" Sidney J. Abelson delivered a talk on the subject and discussion from the floor followed. Lloyd Buchman was the discussion leader

and Sara Wald chairman of the meeting.

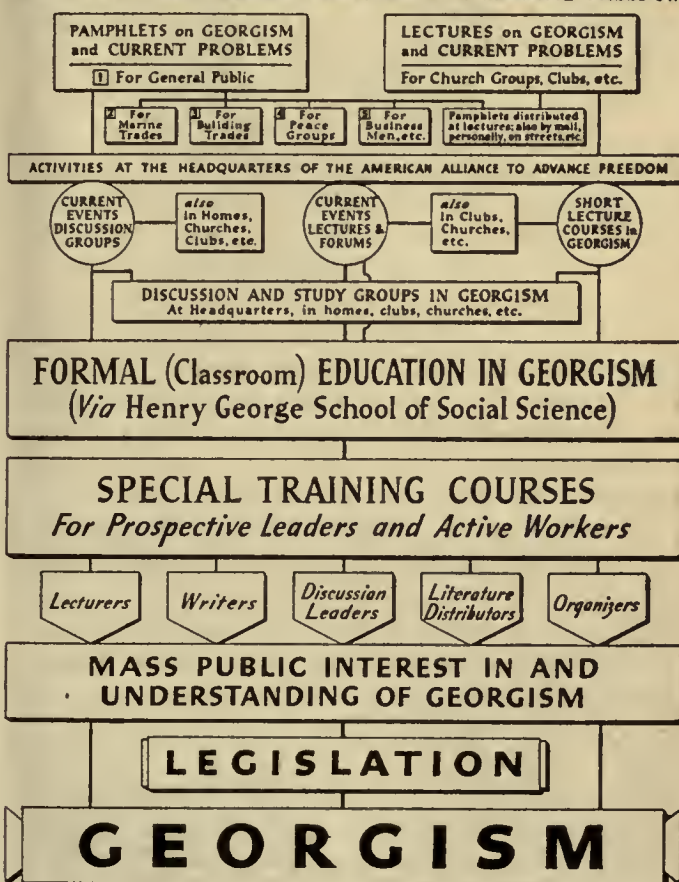
The growing number of Alliance members are carrying forward, on their own initiative, the work of the Alliance. Miss Rose Gutman and Miss Marian Seeley are organizing a membership committee; Mr. M. H. Flechner heads a typing committee which has assumed the task of typing the manuscripts flowing from the pens of writers and speakers cooperating with the Alliance; and Miss Sara Wald, Mr. Louis Taylor and Mr. Adolphe Migdon constitute the nucleus of a speakers' bureau committee.

William Auerbach-Levy, one of America's most distinguished artists, and a member of the Alliance, has drawn and contributed to the organization a portrait of Henry George based on photographs loaned for the purpose by the Henry George School of Social Science. This drawing has been reproduced in monochromatic offset and copies are being sold at 50 cents each.

Reproduced below is the "Functional Chart of the Alliance. This chart outlines graphically the plan of action and the ultimate objectives toward which this plan is directed.

Further information may be obtained by writing to Elbert E. Josefson, Secretary, American Alliance to Advance Freedom, Suite 505, 22 West 48th Street, New York, N. Y.

FUNCTIONAL CHART-AMERICAN ALLIANCE TO ADVANCE FREEDOM



Women's Single Tax Club of Washington

REPORT OF GERTRUDE E. MACKENZIE

At the Club's last regular meeting for the season, on May 7, the annual report covering the year's activities was sent in by Mrs. H. M. McEvoy, the Club's President, who has been in New York negotiating the publication of her *Concordance*. Our reports are presented to the Federation of Women's Clubs with which our Club is affiliated, and are published in their year book.

Miss Alice I. Siddall read a bill which she had prepared and submitted to the Ways and Means Committee that afternoon, providing, in brief, that "beginning July 1, 1941, there shall be assessed and collected one per cent of the value of all land and/or area situated in the United States, its Territories, Possessions, and the District of Columbia, exclusive of the value of improvements therein or thereon, and shall be collected each July 1 thereafter by each State, Territory, Possession, and the District of Columbia, from the holders of legal title to such land and/or area within their jurisdiction and transmitted immediately to the Treasury of the United States."

The following officers were unanimously reelected for the ensuing year: Mrs. Helena M. McEvoy, president; Miss Alice I. Siddall, first vice-president; Mrs. Gertrude E. Mackenzie, second vice-president; Mrs. Walter N. Campbell, recording secretary; Mrs. Jennie Knight, corresponding secretary and treasurer; and Mrs. Miriam C. Goodwin, director to the Federation of Women's Clubs.

Henry George Foundation

At the last annual Henry George Congress in Washington, it was unanimously decided to meet in Chicago in 1941, for the sixteenth annual Congress, accepting the cordial invitation extended by Clayton J. Ewing, Vice-President of the Henry George Foundation. President George E. Evans has appointed Mr. Ewing as Chairman of the Convention.

The dates have been set for Monday, Tuesday and Wednesday, September 29th, 30th and October 1st, and the famous Hotel LaSalle has been selected as official convention headquarters.

Among prominent speakers tentatively scheduled to address the Chicago convention are: Hon. Herbert S. Bigelow, Mrs. Anna George de Mille, Benjamin W. Burger, Gilbert M. Tucker, Rabbi Michael Aaronsohn, Dr. Mark Millikin, Charles R. Eckert, Hon. Peter Witt, Frank Chodorov, Mrs. Helena Mitchell McEvoy, John Lawrence Monroe, Harold S. Buttenheim, and Col. Victor A. Rule.

The Convention Committee is planning to direct a trend of discussion particularly along the lines of such practical questions as how to win more adherents, and to discuss ways and means of devising practical programs for the application and extension of the Georgeist principles.

BOOK REVIEWS

THE MENACE OF DOMESTIC TRADE BARRIERS

"Tax Barriers to Trade." Tax Institute, Philadelphia. 1941. 344 pp. \$2.50.

With the increasing emphasis on foreign affairs we are inclined to forget the many problems within our own borders. A better understanding of these difficulties would reduce the effect of the various doctrinal assaults on democracy and aid in bringing about national prosperity and security. "Tax Barriers to Trade" presents a discussion of an increasingly important problem—the hindrance of trade between citizens of the various states.

The Tax Institute selects each year a current tax topic for discussion by various leaders who have seriously considered the subject. "Tax Barriers to Trade" is a collection of addresses at this year's symposium. Twenty-nine students of this tax problem have contributed their views to combine in this book a well-balanced presentation of the problem. The self-interests of various groups as well as the opinions of academic theorists are included.

Trade barriers within the United States are a product of the depression. They attempt to protect local producers and distributors from out-of-state competition and at the same time to raise additional revenue for the increasing demands on the treasury. In most cases one product or service is taxed or regulated in an effort to reduce its competitive effect to benefit another group, although both groups may be managed by men of the same state. The various combinations of lobbyists are for this reason haunting the state capitals—the railroad against the truckers, the dairy farmers against oleomargarine producers, and the independent retailers against the chain stores. These groups account for the major share of discriminatory taxes, and administrative laws have resulted in setting up these trade barriers, laws that have become a menace strangling the economic life of our nation.

In "Tax Barriers to Trade" representatives of all of the above groups as well as others voice their opinions. L. W. Horning, Regional Director of Research of the Associations of American Railroads argues that truckers seek "to escape reasonable and legitimate costs which they should bear in order that they might compete more effectively with such an agency as the railroads." In his contribution to the book he defends every tax and regulatory law that hinders the truckers. Chester H. Gray of the National Highway Users Conference explains to us how each one of the points made by the railroad men are not true when properly analyzed.

Floyd D. Strong, of the Kansas Port-of-Entry Board, defends the port-of-entry system of his state, claims that it is a success and that it does not interfere with interstate trade. John V. Lawrence of the American Trucking Associations takes another view. "Size and Weight Restrictions on Trucks" is his grievance.

All of the above men present their views under the section "Highway Trade Barriers." We must draw our own conclusions from the many opinions expressed. The only speaker who makes some attempt at impartiality is a representative of the Bureau of Agricultural Economics, Edgar A. Burtis. He represents a greater portion of the citizens but not all, since "The Farmer's Concern in Highway Trade Barriers" is his subject. No one appears in this symposium to speak for the ordinary taxpayer and consumer.

There are six sections in this book. Four of them deal with specific types of trade barriers, Highway Trade Barriers, Commodity Trade Barriers, Tax Barriers to International Trade and Marketing Trade Barriers. Each of these subjects is treated in much the same way as "Highway Trade Barriers," outlined above. The various self-interest groups voice their opinions while an effort at impartiality is

made by some professor or government official. The first section, "The Menace of Tax Barriers to Trade", introduces us to the problem. "What Can Be Done About Trade Barriers" ends the book with the work that is being performed by the many agencies attempting to put an end to trade barriers.

The discussion on International Trade is the most disappointing. Nothing was said of Hull's reciprocal trade agreements and very little of tariffs—two important discussion points with little or no mention. Elimination of the double taxation of corporation's income as the stimulus that would improve foreign trade is the only suggested proposal that this section leaves with the reader.

"Tax Barriers to Trade" can be recommended because of the proven soundness of the Tax Institute and because of the importance of the subject. While the problem conveyed in the title goes unanswered, no one can claim that he understands the various aspects of tax barriers to trade without having read this book.

LOUIS TAYLOR

LATEST WORKS OF FIDELINO DE FIGUEIREDO

Two new books have arrived from Brazil—both the work of our Brazilian correspondent, Prof. Fidelino de Figueiredo, who is now with the National Faculty of Philosophy at Rio de Janeiro.

The first work, "*Ultimas Aventuras*" ("Latest Adventures," *Empresa A Noite*, Rio de Janeiro), is a group of scholarly essays. Prof. de Figueiredo's *aventuras* are a series of explorations in the field of literary and philosophical criticism. He covers such a range of subjects as knowledge and intuition, art and style, life and love, science and society.

In his chapter on "The Limits of Personality," Prof. de Figueiredo discusses the prodigious advances of science—the smashing of the atom, the concept of the fourth dimension, the transformation of mathematics—and points out that with all the revolutionary implications of these advances, we have not yet attempted to orientate the base of our social structure. Instead, we have allowed monstrous deformities to grow up. We have not constructed our economic system upon the most fundamental of facts—that man is a land animal. "The good effects of the increase of wealth," says de Figueiredo, "are nullified by its effects on the increase of poverty and on distributive justice—so Henry George proclaimed already in 1879, in his immortal work, 'Progress and Poverty.' And the increase of poverty causes each time a greater intervention of the State in economic life, bringing an incessant reduction of individual liberty."

The second book, "*A Agonia do Cristianismo*" ("The Agony of Christianity," *Edicoes Cultura*, Sao Paulo), is a translation into Portuguese by Prof. de Figueiredo, from the Spanish of Miguel de Unamuno. This famous work of Unamuno, having appeared in English, Spanish and French, is now made available to Portuguese readers. In his preface, de Figueiredo pays tribute to the revered Salamanca professor.

In "The Agony of Christianity," Unamuno himself agonizes over the meaning of Christianity. In a brilliant, almost sparkling, manner he presents his case that Christianity is a purely individual and subjective phenomenon; he rejects Nietzsche's "social Christianity." But Unamuno is troubled. He foresees a world going to pieces, a civilization crumbling. (The book first appeared in 1925, in Paris.) However, he sees no salvation in Christianity, although he himself is a deeply religious man; instead he sees it doomed to go down with civilization. Can this be because he rejects social Christianity?

CORRESPONDENCE

FORTIETH ANNIVERSARY ECHOES

EDITORS LAND AND FREEDOM:

Your bit of history in the January-February issue of *LAND AND FREEDOM*, entitled "Forty Years of the Struggle for Freedom," aroused my old sympathies for the men and women who devoted so much effort, with so seemingly little, though really large, result in reaching the minds of folk with the message of Henry George.

I was one of them. They were and are my friends. We held conventions. We organized. We contributed funds for campaigns in the validity and tactics of which we had profound doubts. The good work was carried forward. Organizations came and went. Individuals carried on. May I suggest an analogy?

A nation needs organization for defense from attack from without, from abuse of its people by their own government, and to enable its individuals to defend themselves from imposition by their fellows; but only on special occasions, such as war, does such organization need to be concentratedly purposeful. The normal course of social life is a compound of the lives of its individuals. As long as the market is free—unorganized, unregulated—it affords the fullest opportunity for the production of wealth.

So, it seems to me, in the advancement of ideas, the less we organize to regulate the effort, the more widely will knowledge spread. With all proper respect for those who put their faith in organization, this is one lesson I draw from your splendid resume.

Chicago, Ill.

HENRY L. T. TIDEMAN

[Mr. Tideman, Director of the Chicago Henry George School, had copies of our Fortieth Anniversary Number sent to all the Chicago instructors, with the following letter: "This issue of *LAND AND FREEDOM* has in it an article covering some of the interesting history of the Henry George movement, facts which should be part of the stock-in-trade of every teacher in the Henry George School. I urge you to read it all carefully. There is nowhere else in so small compass so much historical information to serve as a back-log for the fire that burns in those who wish to carry on our great work . . . You may, when you have perused this copy, find it worth while to invest. This magazine is always interesting and the best of its kind."—Ed.]

EDITORS LAND AND FREEDOM:

My deepest compliments on your *Quadragesimo Anno*, as the Vatican would say. Your record is frank and complete, and well balanced.

It is difficult at present to remit for my subscription. We spend fifteen million pounds a day on the war, but a few pennies for a journal is taboo—though the wisdom of your paper is worth X million pounds to our Empire!

Bishops Stortford, England

REV. MERVYN J. STEWART

EDITORS LAND AND FREEDOM:

I believe that your readers will enjoy reading "Fame is the Spur," by Howard Springs (Viking Press), a novel dealing with the political developments in Great Britain during the past fifty years. There is considerable of the land question in the book, although the author doesn't refer to Henry George's visit, nor the influence of his "Progress and Poverty." The story of the rise of the futile Labor Party, and of its failure to deal understandingly with the fundamental cause of unemployment and poverty is well told.

New York, N. Y.

WHIDDEN GRAHAM

MORE CHEERS FOR "THE PHILOSOPHY OF FREEDOM"

EDITORS LAND AND FREEDOM:

I enjoyed "The Philosophy of Freedom" very much. I feel that Gaston Haxo has notably accomplished his purpose in giving a very interesting and instructive condensation of Henry George's great work. I have found many people who find the unabridged "Progress and Poverty" too much of a chore to read through, and I believe that Mr. Haxo's book will reach them, and that many of them will become sufficiently interested to study George seriously. I found especially useful the many diagrams, and greatly appreciated the appendix. I trust that a second edition will soon be called for.

Sante Fe, N. M.

WILLIAM CHAUVENET

EDITORS LAND AND FREEDOM:

"The Philosophy of Freedom" seems to me a very wise departure, especially for the college-educated young men and women. "Progress and Poverty" is very hard and concentrated reading, like the Bible, and your new book may be like the Revised Version of the Bible—it may help younger people. This new book by Mr. Haxo should be very welcome to the leaders of our nation, who are trying to explain to young people the philosophy of freedom.

Southern Pines, N. C.

FLORENCE GARVIN

GOELLER'S DISTRIBUTION CHARTS

EDITORS LAND AND FREEDOM:

Some years ago I made a diagram (reproduced below) to illustrate the distribution of wealth under present conditions and under the single-tax system. Louis F. Post said of my chart: "This is an excellent diagram—simple and sound."

Note that there are three kinds of rent in society today—normal, speculative and monopoly. The normal rent line is marked "C" and the speculative rent line is "A" on the same diagram. The way to increase wages is to force monopoly and speculative rent back into the pockets of the workers whence it came in the first place. Henry George did not propose to collect *all* of present-day ground rent. What he proposed was to take all of the *economic* (or normal) rent, the object being to raise wages without resort to socialism or communism.

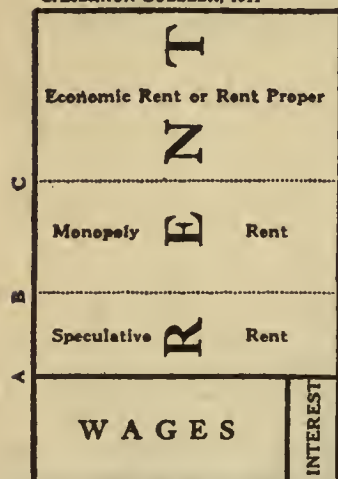
There's nothing like a picture or diagram to clear thought.

Endwell, N. Y.

C. LE BARON GOELLER

The Distribution of Wealth

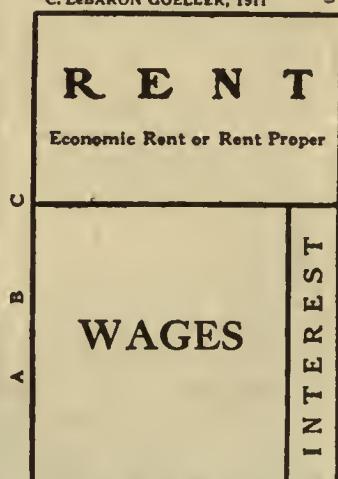
C. LeBARON GOELLER, 1911



Under present economic regime

The Distribution of Wealth

C. LeBARON GOELLER, 1911



Under Single-Tax System

REPLY TO SCHLEY'S "RENT AND THE TAX FUND"

EDITORS LAND AND FREEDOM:

Mr. Robert Schley's article in the last issue is written from a point of view which must complicate a subject that should be easily intelligible—the problem of sufficiency of rent for government expenses. Mr. Schley's article is headed "Rent and the Tax Fund," but he bases his study, not on the collection of rent but on the taxing of land values. These two things are so different that one of them can wreck the best laid plans of Georgeists.

If title holders are the rightful owners of land including the rents, government has no more justification in taxing land values than it has in taxing houses or incomes. All the basis of justice then disappears from our campaign, and it degenerates into a contest between the haves and the have-nots.

If we tax land values 100% the land values disappear, we have neither tax base nor taxes, and government is bankrupt. This, of course, is an absurdity, and the prospective convert who hears this is through with Georgeism. If we tax land values 25% or 75%, the effects on the land values and on the tax base are so unpredictable that the intelligent fixing of a tax rate would be impossible. If the rent of the land belongs to the people, why not take the rent, instead of taxing the loot and going into partnership with the looters? If we base our study on the collection of the rent, the problem of financing the state will be as simple as the financing of an office building, because they are exactly the same problem.

People who receive services, from a state or from a business man, should expect to pay the cost of the services. Every dollar expended by government legitimately is for service, and the only beneficiaries of these services are the title holders. Rent is the measure of these services, and a tenant cannot benefit by these services unless he lives somewhere and pays the title holder the full value of these services.

A bridge which costs a million dollars, and which does not add a million dollars value to the locations which it serves, is a blunder whether it was erected by a state or by an association of title holders. If the state collected the rents of these locations, and if the bridge is worth its cost, citizens would be glad to pay the increased rentals necessary to finance the bridge.

In the same way, the total rents, if collected by the state, would pay for all the expenses incurred by the state, the total of these expenditures being the cost of the total values which have been imparted to the lands by these expenditures.

The public finances are now in a state of hopeless complication, but these complications are the result of the present system of taxation, and they would disappear if the state collected its income from its customers as any business man must do. A grocer who should give away his goods to the first comers, as the state gives away its rents, and then hold up the passers-by to collect for his expenses, would develop complications which no expert accountant could untangle.

It is true that rent would be insufficient for *all* the present expenses of government. Title holders who would compete for valuable sites on the payment of the rent which covered the cost of the improvements, would be unwilling and unable to pay a rental which would cover the cost of boondoggling extravagant public works, and all the rest.

Graft and incompetence in politics will never be eliminated while politicians have the privilege of taxing at their sweet will. If they were limited to accepting the rents which their wise spending had created, and could get their salaries in no other way, they would speedily learn the economy, the intelligence, and the honesty which they must employ in their private enterprises.

If we will bear in mind that "the actual visible chaos of existing conditions" is the necessary result of the unjust and illogical system of finance which gives away its earnings and then picks the pockets of the citizens to replenish its coffers, we will more easily grasp the obvious truth that title holders are the sole recipients of the values created by government expenses, that the rent of land is the measure of these values, and that the collection of rent would automatically equal the cost of the services, that is, the government's budget.

Jamaica, N. Y.

JAMES SNYDER

[We believe that Mr. Herbert T. Owens' article "Assessing Land on Gross Value," answers Mr. Snyder's objection to land value taxation.—Ed.]

EDITORS LAND AND FREEDOM:

Permit me to offer a word of comment on Gaston Haxo's "Theory of Interest."

..

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Whether we call this promise "Interest" or "Insurance" or some other name is of no importance. But the principle, that when one individual entrusts his funds to another, he accepts a risk of loss, is of the greatest importance. And unless there is an adequate inducement to compensate for this risk, only a lunatic would consider the proposal.

Any attempt to deny this compensation for risk, dams every one of these capital trickles at the source. The pool of capital funds available for the encouragement of industrial enterprise dries up. Every form of business dependent on borrowed capital would tend to degenerate to what each individual manager could provide from his own resources. Conditions of unemployment would be indescribable.

Chula Vista, Calif.

RAY H. TABER

John Radcliffe

The Cleveland Extension of the Henry George School has lost its faithful Secretary, and many of the workers in the cause of freedom have lost a rare friend.

John Radcliffe, whose frail body harbored a fine intellect, died after a brief illness at the Glenville Hospital and was buried this May at Youngstown beside his mother and his father, who was Billy Radcliffe, S. T.

Besides John's sure grasp of economic principles, his outstanding character was his gentleness and quiet, retiring disposition. When, back in January, 1938, John Monroe reorganized and greatly expanded the work of the Cleveland Extension, he prevailed upon John Radcliffe to guide its work and progress. To this undertaking John gave his all and gave it gladly. His unassuming leadership was an inspiration to his associates.

Now he is no more. But his influence lives on. On Thursday, May 15th, a small group of friends, composed of Philip Balaban, George F. Dort, George Downer, and H. K. Rice, met at the home of the writer informally to discuss ways and means to keep the torch of Libertarian Economics shining. John Radcliffe would have wanted it so.

FRED SCHULDER

NEWS NOTES AND PERSONALS

CONSUMERS' COOPERATION, official national journal of the Consumers' Cooperative movement, gave us a "puff" in its April issue. Under the headline, "We Salute the 40th Anniversary Number of LAND AND FREEDOM," the following appeared: "While we are celebrating the 25th Anniversary of the Cooperative League and the 27th Anniversary of *Consumers' Cooperation*, we also pay tribute to our contemporary, LAND AND FREEDOM, upon its 40th Anniversary issue. Particular tribute is paid to the former editor, Joseph Dana Miller, a true prophet who could see so clearly into the future more than 20 years ago." Miller's prophetic words on the world scene, which so impressed *Consumers' Cooperation*, may be worth repeating here:

"Great God! We are the torch-bearers of an economic world gospel! We bring balm for the healing of the nations, a message for the oppressed, a new Magna Charta of emancipation for mankind. If rejected, Leagues of Nations, covenants of peoples, are veritable 'scraps of paper.' Again autocracy will challenge the political democracies that even now are shaken by internal revolutions. Again the Man on Horseback, a pinchbeck Hohenzollern or a real Napoleon, will over-ride the world. Again on dying democracies, by power of cannon and shot and shell a modern Tamerlane will seek to fatten."

THE CHRISTIAN SCIENCE MONITOR carried nearly a full column biographical sketch of Henry George on its Daily Features Page, May 9th. The article, which included an attractive portrait of Henry George, gave a warmly sympathetic account of the author of "Progress and Poverty." The lines open: "Henry George was a great American social philosopher. His name will always loom large in the annals of labor." The article closes with a word about "Progress and Poverty": "Today it is still an authority among social philosophers."

WE, THE CITIZENS, Chicago Georgeist organization, has been circulating attractive folders calling the public's attention to "The Basis for a World Peace." Mr. C. R. Walker, Secretary of We, The Citizens, writes: "We are working on plans, building equipment and accumulating munitions that will make for the success of the 'blitz' we propose to inaugurate in the not too distant future. Be assured that We, The Citizens is a busy organization." If interested in the program of this organization write to We, The Citizens, 127 North Dearborn Street, Chicago, Ill.

J. B. CHAMBERLAIN, of Kensington, Md., believes that a more intensive effort should be made to interest people of Washington, D. C., in the philosophy of Henry George. He proposes to establish a lecture room where the philosophy might be taught; and he believes that the endless procession of visitors who would like to go some place toward the close of the day would be a fertile field to work upon. In addition, the many governmental employees from out of town should be interested in such lectures.

THE students of Gaston Haxo's "Science of Political Economy" class at the Henry George School feted their master, on May 22, with an "over-consumption dinner," according to the clever menu drawn by Mrs. Sylvia Wiren, one of the students. The bill of fare included Cold Veal a la Adam Smith, Pommes de Terre Physiocrats, Spring Salad Ricardo, a Wealth Cake divided into Rent, Wages and Interest, and Coffee with Cream Henry George.

J. RUPERT MASON sends us news of the death of John F. Conroy of Lowellville, Ohio. "He was a fine worker," writes Mr. Mason, "who circulated timely items about taxation, tariffs, etc., to a dozen or so widely separated friends, who would write to their local editors, and in turn write their friends to do the same—a sort of chain letter idea."

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(We would like a copy of "Lost Island" and "Monopoly Gulch." Our copies are missing. Can you oblige? Thank you.—C. LeB. G.)

July-August, 1941

Land and Freedom

An International Journal of the Henry George Movement

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EDITORS

CHARLES JOS. SMITH JOS. HIRAM NEWMAN
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July-August, 1941

Vol. XLI, No. 4

WHOLE No. 227

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AUSTRALIA: A. G. Huie.

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T. E. McMillan.

BRAZIL: Prof. Fidelino de Figueiredo.

SPAIN: Baldomero Argente.

FRANCE: Pavlos Giannelia.

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WHAT LAND AND FREEDOM STANDS FOR

We declare:

That the earth is the birthright of all Mankind
and that all have an equal and unalienable right
to its use.

That man's need for the land is expressed by
the Rent of Land; that this Rent results from the
presence and activities of the people; that it arises
as the result of Natural Law, and that it there-
fore should be taken to defray public expenses.

That as a result of permitting land owners to
take for private purposes the Rent of Land it
becomes necessary to impose the burdens of tax-
ation on the products of labor and industry, which
are the rightful property of individuals, and to
which the government has no moral right.

That the diversion of the Rent of Land into
private pockets and away from public use is a
violation of Natural Law, and that the evils aris-
ing out of our unjust economic system are the
penalties that follow such violation, as effect fol-
lows cause.

We therefore demand:

That the full Rent of Land be collected by the
government in place of all direct and indirect
taxes, and that buildings, machinery, implements
and improvements on land, all industry, commerce,
thrift and enterprise, all wages, salaries and in-
comes, and every product of labor and intellect be
entirely exempt from taxation.

That there be no restrictions of any kind imposed
upon the exchange of goods within or among
nations.

ARGUMENT

Taking the full Rent of Land for public purposes
would insure the fullest and best use of all land.
Putting land to its fullest and best use would create
an unlimited demand for labor. Thus the job would
seek the man, not the man the job, and labor would
receive its full share of the product.

The freeing from taxation of every product of
labor, including commerce and exchange, would
encourage men to build and to produce. It would
put an end to legalized robbery by the government.

The public collection of the Rent of Land, by
putting and keeping all land forever in use to the
full extent of the people's needs, would insure real
and permanent prosperity for all.

"Is it too soon to hope that it may be the mission of this Republic to unite all nations of English speech, whether they grow beneath the Northern Star or Southern Cross, in a league which, by insuring justice, promoting peace, and liberating commerce, will be the forerunner of a world-wide federation that will make war the possibility of a past age, and turn to works of usefulness the enormous forces now dedicated to destruction."—HENRY GEORGE.

Land and Freedom

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Comment and Reflection

WHEN in times like the present—times in which principles are so easily sacrificed to the exigencies of the moment—a world leader, whose words influence millions of people, speaks out for first principles and natural rights, it is indeed cause for rejoicing. Such a declaration has come from Pope Pius XII, in a talk which was broadcast throughout the world on June 1. Whereas from all sides we are besieged with the doctrine of subservience to the state, from His Holiness comes a clarion call against this ideology. It is time, he suggests, for the *state* to sacrifice for the individual and the family, and to take thought of the simple truth—one so easy to forget—that man was not meant to be the slave of society, but society was meant to give more scope to his individual life. Shall we allow any emergency to obscure this relationship?

IT was on the fiftieth anniversary of *Rerum Novarum*—the famous encyclical of Pope Leo XIII—that Pius XII delivered his address. While the latter commended that encyclical to his hearers as “the Magna Carta of Christian social endeavor,” we are happy to note an advance in certain respects in the ideas of the contemporary Pontiff over those of the author of *Rerum Novarum*. True, the same faith in the dignity of man underlies the utterances of both. But on the part of Pius XII there appears to be more awareness of what is required for the achievement of man’s dignity. While Leo upheld private ownership of land, Pius emphasizes the need of allowing all mankind access to nature’s resources. “Goods,” says His Holiness, “which were created by God for all men should flow equally to all according to the principles of justice and charity.” And he speaks of the earth’s surface as “that surface which God created and prepared for the use of all.”

UNQUESTIONABLY, Leo XIII acknowledged the broad principle of man’s right to the use of the earth. However, in defending private property in land he not only did not make clear how equal rights to land could be maintained in a world of landed and landless men, but he pronounced a formula which militated against his own lofty purposes. Leo said, “The earth, though divided among private owners, ceases not thereby to minister to the needs of all . . .

Those who do not possess the soil contribute their labor.” This indeed purports to be our present system; and it does not require extraordinary vision to see that those who “possess the soil” do *not* share God’s gifts equally with those who “contribute their labor.” But Pius XII shows deeper appreciation of the fundamentals of our present world disorder, and he urges a more equitable distribution of wealth, fuller opportunities for every individual, and a more equal diffusion of population over the earth’s surface.

BESIDES his declaration of the right of all to the use of the earth, Pope Pius in other ways comes close to our thought; for he says: “Undoubtedly, the natural order deriving from God demands also private and free reciprocal commerce of goods by interchange and gift as well as the functioning of the state as control over both these institutions.” The Georgeist ideal has been happily summed up in the trinity of “free land, free trade, free men.” We find ourselves again on common ground with His Holiness when he avers that the attainment of material abundance for all is a means to an end; that in society “such abundance represents and offers a really effective material basis sufficient for proper personal development of its members,” including the mental, moral and spiritual aspects. The higher virtues are not to be alienated from any economic consideration of humanity. In that regard Henry George was perhaps unique among the economists. He deferred to the many-sidedness of man, and he considered his proposals as a means to the same end—“If, while there is yet time, we turn to Justice and obey her . . . the forces that now menace will turn to agencies of elevation . . . and who shall measure the heights to which our civilization may soar?”

IT is true that Pope Pius XII does not offer specific proposals to carry out the ideals he enunciates. But, all things considered, it would be ungracious to complain on that account alone. Let *Georgeists* be willing to assume the task of showing how those ideals can be realized. It sufficeth for us that a leader of thought has helped “make straight the ways.” We are only grateful that this Servant of the Servants of God has so forcefully invoked and evoked those principles which but tremble on the lips of other leaders—advocates of “expediency,” and false “realism.” Our task is made the easier for it.

“Unfinished Victory” and Mr. Nock

By M. J. BERNSTEIN

A PROFOUND contempt for the mass of mankind underlies the philosophy of totalitarianism, whether fascist or communist. But more difficult to discern is the same contempt masquerading under a cloak of liberalism, of which Albert Jay Nock's doctrine of the “educable elite” is an interesting example. And in times of crisis such as the world is now experiencing, it is not surprising—indeed, it is inevitable—that the basic sympathy which ultimately unites these haters of their fellow-men, should prove far stronger than the superficial differences which divide them.

In the April, 1941 issue of *Scribner's Commentator*, Mr. Nock discusses “Unfinished Victory” by Arthur Bryant, published in England in 1940, (though written before the outbreak of the war), and waxes indignant at the failure of any American firm to publish the book in this country. Mr. Nock suspects a conspiracy, a Jewish conspiracy in fact, to prevent the American public from reading what he considers a most important book, an “able, cogent and gentle-spirited book,” as he calls it. Mr. Nock dislikes Britain, he has a scarcely-concealed sympathy for present-day Germany, and his admiration for “Unfinished Victory” supports the view that he subscribes to Mr. Bryant's thinly-veiled anti-Semitism. (See *Atlantic Monthly*, July 1941, for further corroboration.)

Arthur Bryant is a die-hard, reactionary Tory, biographer and admirer of Stanley Baldwin, opponent of free trade and of economic liberalism, sympathizer with Hitler's racial dogmas and doctrine of “Blood and Soil.” A few quotations from “Unfinished Victory” will illustrate:—

“Adolf Hitler, unknown to all but a few, was still in the early stages of his struggle, yet it may be said that Germany was already seeking him.”

“Hitler was acute enough to realize that the Marxist did not stand for freedom but for a despotic uniformity, enforced by terror and the annihilation of all who opposed them.” [Hitler, in Mr. Bryant's opinion, obviously stands for freedom and individualism.]

“Hitler's real quarrel with the capitalist and Marxist system alike was that they stopped things from growing. They were concerned not with creation, *but the one with making quick profits* [Emphasis mine—M. J. B.] and the other with establishing an unnatural and sterile uniformity.” [Note the mystic nationalist's hatred for the merchant, the trader.]

“This damning indictment of modern society and ‘its original sin of racial corruption’ constitutes the central theme of Hitler's political philosophy. It has never been properly answered.”

“The dreamer of Munich [Hitler] outlined a new organization of society to undo a century's neglect.”

“They destroyed because they were shocked . . .” [Referring to the righteous moral indignation of Hitler's storm troopers.]

“To the dispossessed millions it [Nazism] offered something even more attractive—status and responsibility.”

And Bryant approvingly quotes a German as writing:—

“A conquered and oppressed people has no place for an internationally-mixed and internationally-organized commerce . . .”

Now let us select a few choice anti-Semitic morsels from Mr. Bryant's heavily-laden tray.

“Few of the Jews who set the spiritual and cultural fashions for Germany in the ‘twenties had any comprehension of a countryman's point of view. They were not themselves countrymen or producers, *but by long wont migrants and middle men* [Emphasis mine—M. J. B.]; the descendants of men who had been forced to live for centuries as exploiters [though never landowners like Prussian Junkers or British Tories—M. J. B.] rather than as creators . . . Their inherited instinct was to skim the cream rather than to waste vain time and effort in making enduring things . . . They were exponents of the get-rich-quick philosophy . . . lovers of the flamboyant and the arts of advertisement . . .”

“. . . Who [the Jews] in the nineteen-twenties seemed, with all the invincible vitality and opportunism of their race, to be making of a broken nation their washpot.”

“The lack of common purpose, the *treachery of the Jew* [Emphasis mine—M. J. B.] and the stranger within her too-open gates, above all, the lack of consistent purpose in her leadership, had consigned Germany to the lowest hell of even her unhappy history.”

“And the dispossessed—the lonely and dispirited men and women who had seen their homes, their savings and their livelihood sacrificed to the Jewish speculator when the currency collapsed—turned also to the new creed.”

“To the peasant he [Hitler] promised the freedom of his land, now mortgaged to the Jewish usurer . . .”

“If one had the money, one could stay at luxurious hotels and sit among well-dressed people—rich Jews from Galicia or native profiteers—eating and drinking fabulously expensive food and wine.” [This refers to the blockade-caused famine right after the War.]

“Authorship in Germany almost seemed to have become a kind of Hebrew monopoly.”

“The perversion [homosexuality—M. J. B.] which has always been a major German failing was now exploited

and stimulated by Jewish caterers who, while seldom sharing such tastes, did not hesitate to turn them to their profit."

These few examples are at least indicative of the nature of Mr. Bryant's prejudices. However, even a temperamental bias may occasionally be justified by an appeal to facts, to history, or to authority. "Unfinished Victory" is a jumble of distortions, inaccuracies, misquotations and downright lies. Let us examine some of the statements in Mr. Bryant's book, first those in which he quotes or refers, as his authority, to Edgar Ansel Mowrer's "Germany Puts the Clock Back":—

"Just after the revolution, three little Jewish clothing dealers came to Berlin from Poland . . . They had a gift of pleasing. They received contracts for municipal uniforms and linens . . . In return they provided nearly the entire city administration with free clothes . . . From time to time they arranged Roman banquets with tubs of caviar and barrels of champagne . . . After a trial that lasted three years the Sklareks were given hard labor."

But Mr. Bryant doesn't finish this quotation from Mowrer. Here is what he omits, falsifying as he does always where the Jews are concerned:—

"The Sklareks, etc., all were Jews and served splendidly for anti-Semitic propaganda. But Dumke was incurably Aryan. Conspicuously Aryan were the Lahusen brothers, church-going deacons who built up a wool trust by ingenious financial jugglery. Even worse was the case of the *Devaheim*, a combined bank and a home-purchasing Co-operative under the control of the Protestant Home Missions. The managers were nearly all Lutheran pastors. All in all, a pretty piece of embezzlement of poor people's money by holy and wholly Aryan crooks. Corruption under the German Republic was, sad to say, not limited to Jews and Republicans."

Let us turn once more to Arthur Bryant:—

"The same vivid writer [Mowrer] and others have described for us those innumerable meetings that were taking place throughout the length and breadth of a tortured land under National Socialism . . . The speaker [Hitler] never halts for applause. The audience remains intent, silent, absorbed as it follows every word of his scorn, his indignation, his invincible faith."

But let us read what Mowrer himself actually has to say about it:—

"If he [Hitler] stops, they howl for more. He states the most astonishing and totally inaccurate things. He roars, he pleads; if need be, he can weep. But he never analyzes, discusses or argues. He affirms, attacks, comforts. According to his axiom of aiming at the lowest in his audience, he keeps to the vaguest generalities and formulae, repeating them with infinite verve.

"So it went on, night after night, for years. Within the thousands were perhaps a handful who did not rise to the

occasion. They looked for persuasion and received only theatricals of a pretty cheap type. They wanted argument and were given rhetoric and preposterous misstatement.

"He [Hitler] collected and disseminated social and political resentments, fostered special hatreds, encouraged the violent suppression of adversaries, appealing one after the other to each of the more brutal human instincts.

"Germans seem obsessed by a desire to obey. And Hitler so thoroughly fostered this feeling that you could hear National-Socialist students at Berlin University shouting in chorus: 'We spit on Freedom!' (*Wir scheissen auf die Freiheit!*)"

Mr. Bryant refers to Matthias Erzberger as "the Social Democrat politician." As a matter of fact, Erzberger was not a Social Democrat, but a Catholic Centrist who was forced to sign the armistice ending World War I because the Junker generals who demanded the armistice refused to accept the onus of signing it. Erzberger, the Catholic (not the Social Democrat), was murdered by fanatical nationalists as a betrayer of Germany—but Hindenburg was elected President and manifested his gratitude by calling Hitler to the chancellorship. Mr. Bryant has no word of criticism for the Junkers who made the war, refused all possible attempts at a peace during its course, forced the Republican government to sign the armistice, bled the Republican government to the tune of hundreds of millions of marks, and then aided Hitler to gain control of the German state.

"Unfinished Victory" depicts Republican Germany and the origins and success of National Socialism completely in the manner in which it is now being presented in the Third Reich. According to this view, Hitler and his movement represented the inevitable and justifiable reaction of the overwhelming majority of the German people against the ignominy, the humiliations and the material and spiritual sufferings engendered by the imposition of the *diktat* of Versailles. They stood for the reunion of Germany with all the German-speaking sections of Central Europe. In other words, the Nazi party, and especially the Fuehrer, are shown to us here as the concrete political manifestation of a Germany resurgent, a Germany reaching out to take its rightful place among the family of nations, as the most important power on the European continent.

This is the National Socialist fable, whole-heartedly accepted by Arthur Bryant, and incidentally by Albert Jay Nock. What are the actual facts in the matter, facts either utterly ignored or crudely misrepresented in "Unfinished Victory"?

The German Army was not stabbed in the back by the treachery of the Jews, the republicans and the radicals at home. The last offensive had failed to reach its objective and American troops and equipment were steadily strengthening the Allied forces. The German High Command (Ludendorf and Hindenburg) *demand*ed that the newly installed re-

publican government (the Kaiser had fled to Holland, his landed estates inviolate, as they still are) request an armistice, refusing to accept responsibility for the inevitable military catastrophe that would otherwise result. In other words, the German Army was a defeated army, incapable of further resistance to the growing power of the Allied arms. And forever after, despite its undoubted achievements, the republican government was unjustly associated with the defeat and the peace treaty.

Nationalist sentiment was not slow to profit. Those elements which later became the backbone of Nazi barbarism, directed all their efforts to the destruction of the Republic. Political assassination was usual, and sad to relate, treated leniently. Mr. Bryant has much to say about Communist violence against the Hitlerites, but not a word about the Nazi counter-violence, and the brutal assaults of both extremist wings against the democrats and moderates.

But despite the attacks upon it, in frequent cooperation, of both extreme Left and Right, the Republic managed to achieve the *de facto* termination of the most repressive provisions of the Versailles treaty. All foreign troops were withdrawn from German soil years before the date provided in the Treaty. This was accomplished by Stresemann. Reparations were in effect cancelled during the period in which Brüning held office, and while Hjalmar Schacht still professed a belief in the democratic form of government. When Hitler finally took power at the beginning of 1933, the Versailles Treaty's terms had been virtually cancelled, including the disarmament clauses. And Hitler was interested in this—not to realize the just aims of the German nation, but for the purposes of imperialist conquest, indeed for world conquest. Recent and current events sufficiently demonstrate that.

It is true that Austria wished union with Germany—but with the Germany of the Weimar Republic (a step, incidentally, of which Great Britain approved). Hitler delivered his ultimatum to Austria on March 6, 1938; Schuschnigg, the Austrian Chancellor, had planned to hold a plebiscite to determine the wishes of the Austrian population with respect to joining the Third Reich. But Hitler's ultimatum forbade the plebiscite, and despite its cancellation, the German army nevertheless invaded and absorbed Austria. Does this indicate that the Nazis had any confidence in the desire of their Austrian neighbors to become one with them?

But, it is said, the German people, at any rate, overwhelmingly welcomed "the new order." No cruder lie has ever been circulated. Hitler was a minority chancellor, and at no time in its blood-stained career prior to the acquisition of political power, did the Nazi party ever represent a majority of the electorate. The largest vote it ever polled, roughly, 13,000,000, in the July, 1932 election, represented 37% of the total number cast. But a few months later, in November, 1932, in the *last free* election held in Germany, the Nazi vote

dropped to approximately 11,000,000, a decline of 2,000,000 votes, and the party lost over 30 seats in the Reichstag. The movement had passed its peak and was visibly on the wane. But Hindenburg, under the influence of the Junker clique surrounding him (known as the *Herrenklub*), fearing an investigation into the land frauds in which the East Prussian Junkers were deeply involved, hastily called Hitler, the leader of a minority party, to power, in order to prevent a threatened Reichstag investigation into this filthy business. (This is a story which should be of particular interest to Georgeists, but which must await another opportunity for the telling.)

But what need to go on? Enough has been said to indicate that "Unfinished Victory" is a completely inaccurate and distorted history of the forces and events leading to the conditions which have prevailed in Hitlerian Germany since 1933. Mr. Bryant has attempted to whitewash the horrors and atrocities of the Nazi regime, to find justification for its existence, and to lend the weight of his opinion (for whatever it may be worth) to the myth of a nation betrayed not by its own sins and shortcomings but by the treachery of its enemies within (the Jews and republicans), and the injustice and cruelty of the world without. That the Jews represented less than 1% of the German population, that 12,000 of them (a larger percentage than the non-Jewish total) were killed in the first World War, that Ludendorff invited the Polish Jews into Germany, are all facts which "Unfinished Victory" chooses to ignore.

"Anti-Semitism is a temptation to look for evil, not in oneself but in some other exterior quarter. It is flight from an intellectual and moral demand upon oneself, refuge sought in a material claim upon another, whom one can make responsible for one's own weakness and unhappiness. Further, anti-Semitism expresses the inclination of the present age to substitute general exterior activity for spiritual self-transformation. The evil that we will not recognize in our own natures we combat in the shape of a plausible personification. We do it when we are no longer strong enough as human beings to struggle with it directly."

These are the profoundly penetrating observations, not of one who has always hated Hitlerism, not of a Jew seeking to defend himself and his race, but of the former President of the Danzig Senate and close collaborator of the Nazi regime, Hermann Rauschning, writing in his most recent book, "The Redemption of Democracy." And they constitute a sufficient answer to the Hitlers, the Bryants, and the Nocks.

However, the purpose of this article was neither a discussion, as such, of Hitler's Germany nor of Bryant's book. It was rather an examination of the present position of that supposed Georgeist and Jeffersonian democrat, Albert Jay Nock, as manifested in his most recent lucubrations.

In his article on "Unfinished Victory" in *Scribner's Com-*

mentator Mr. Nock makes the following assertions:—

— "No statement that he [Bryant] makes from beginning to end, can be questioned."

"Mr. Bryant's statements are all true and are all put with the most careful discrimination."

In view of our own careful examination of "Unfinished Victory," it is obvious that Mr. Nock is either deliberately attempting to distort and mislead, or else has assumed the role of irresponsible scribbler. He is completely unconcerned with or unaware of the need for arming himself with some authoritative corroboration for the point-of-view he so unqualifiedly endorses. The history of the German Republic, and of the rise of National Socialism have been exhaustively documented, developed and discussed. There is literally no end of accurate and trustworthy sources of information in this field. But Mr. Nock chooses to stand sponsor for a book that might almost have originated from Goebbel's German Ministry of Propaganda. So we shall gently draw the veil by charitably supposing that Mr. Nock's present attitude is due to ignorance, and in order to help him (and others who share his prejudices) to avoid similar mistakes in any future treatment of the subject, we are appending the following bibliography:—

The Revolution of Nihilism—Hermann Rauschnig.
The Voice of Destruction—Hermann Rauschnig.
The Rise of the German Republic—H. G. Daniels.
The Fall of the German Republic—R. T. Clark.
The History of National Socialism—Konrad Heiden.
Hitler—Konrad Heiden.
The Fascist: His State and His Mind—E. B. Ashton.
Inside Germany—Albert Greszinsky.
Men Against Hitler—Fritz Max Cahen.
The Nazi Dictatorship—Frederich Schuman.
Fascism for Whom?—Max Ascoli.
Germany Enters the Third Reich—Calvin Hoover.
Nazi Germany Means War—Leland Stowe.
The New German Empire—Franz Borkenau.
The End of Economic Man—Peter F. Drucker.
The German Republic—H. Quigley and R. T. Clark.
The Third Reich—Henri Lichtenberger.
The Burning of the Reichstag—Douglas Reed.
Militarism—Karl Liebknecht.
The Recovery of Germany—James Angell.
Fascism and National Socialism—Michael T. Florinsky.
War Against the West—Aurel Kolnai.
Peace With the Dictators?—Norman Angell.
My Austria—Kurt Schuschnigg.
The Vampire Economy—Gnenter Reimann.
Battle Against Time—Heinrich Hanser.
German Economy, 1870-1940—Gustav Stolper.
The Strategy of Terror—Edmond Taylor.
France Speaking—Robert de St. Jean.
Unto Caesar—F. A. Voigt.
Out of the Night—Jan Valtin.

(Mr. Nock thinks that Valtin's book is simply war-mongering anti-German propaganda, and almost purely fictional. He is referred to a review of the same by the Rev. H. A. Reinhold in *The Commonwealth* for March 28, 1941.)

In addition to the above, the following are Nazi sources, or sympathetic to National Socialism. They tell their own damning story:—

Mein Kampf—Adolf Hitler.

Germany Reborn—Hermann Goering.

My Part in Germany's Fight—Joseph Goebbels.

Hitler's Official Programme and its Fundamental Ideas—Gottfried Feder.

Man and Technics—Oswald Spengler.

The Hour of Decision—Oswald Spengler.

The End of Reparations—Hjalmar Schacht.

A New Social Philosophy—Werner Sombart.

Germany Prepares for War—Ewald Banse.

John Dewey on Henry George

Dr. John Dewey, America's foremost philosopher, has written a Foreword to the new "Guide for Teaching the Principles of Political Economy," published by the Robert Schalkenbach Foundation (See the Foundation's report elsewhere in this issue). The Guide is a student's manual based upon Henry George's "Progress and Poverty," and in his Foreword Dr. Dewey has the following to say:

PROGRESS AND POVERTY is one of the world's classics. While it falls technically in the field of economics, it is one of the comparatively few books in that field that link economics with politics, sociology, and ethics, and, in consequence, it is required study for the student of government, social affairs and morals, as well as economics.

Domestic conditions have for a long time forced attention to the need of free access by the inhabitants of a country to land, in which are included the natural resources of mines, forest and water-power as well as farms and building-sites. Present international conditions, the world war included, point with intense emphasis to the fact that the problem is of equal importance in all questions and issues arising in the intercourse of the nations of the earth with one another. That person lives in a dream-world who believes war can be permanently averted and helpful cooperative relations of the peoples of the earth established until the question is faced of free access of populations to the resources nature has provided for the common use of mankind.

Because of my conviction that no person is properly educated today without acquaintance with the problem and with the solution advanced by Henry George, I am happy to write this Foreword. Whether study of the book leads or does not lead a student to acceptance of the views put forth by George, it will immensely widen and broaden his understanding of the world in which he lives and equip him to deal with the menacing problems it presents.

The Guide which is here offered bears on its face the proof that it is a careful and competent aid to any student who is given the great opportunity of becoming acquainted with a book which will enable him to see domestic and international problems in a vitally important perspective which might otherwise escape his vision.

Kaiser Wilhelm II

By POULTNEY BIGELOW

[The recent death of Wilhelm Hohenzollern, third ruler of the restored German Empire up to the close of the First World War, calls to mind that our good friend, Poultney Bigelow, was a boyhood chum and schoolmate of the late ex-Kaiser. Mr. Bigelow wrote about the Hohenzollern emperor and his social views in an article for the March-April 1912 issue of LAND AND FREEDOM (then known as THE SINGLE TAX REVIEW), which was a Special Number for Germany. However we may disagree with Mr. Bigelow's interpretation, we believe it is interesting enough to present to our readers at this time.—Ed.]

THE German Emperor has successfully deceived the world regarding his true character. On the surface he appears a medieval knight with cuirass, helmet and threatening sabre in his "mailed fist." He publicly repudiates allegiance to any law save that of God Almighty. The press knows him as a war-lord, impatient at any constitutional limitation and muttering to his ministers, "*Sic volo, sic jubeo.*" His last sensational appearance in our press is one whose background setting would be a Court of Impeachment or guillotine, had we in mind England or France. Germany has elected to her Imperial Parliament a very large proportion of Socialists who but a few years ago were regarded as outcasts of society. The Emperor had publicly branded them as tramps, vagrants, men without a country, and their chief illustrated organ, *Simplicissimus*, was forbidden at every railway stall in Prussia. Today a Socialist is elected to occupy the Speaker's chair of the Imperial Parliament, and the Constitutional Head of the State repudiates him, and in appearance gives public notice that he may nullify the organic law of the Empire if it suits his personal mood.

All this has to do with the external Emperor, and if we deal with externals only, we may be led astray.

Wilhelm II is a socialist—he is the greatest socialist on earth. He has no quarrel with socialism, but he very properly resents the mixing up of socialism and politics. Socialism has to do with the welfare of one's country—possibly of all countries. Politics has to do only with success at the next election. Theodore Roosevelt is a politician—Wilhelm II is a patriot.

About forty years ago, when I lived with a German family, fitting for an American collegiate, I saw something of "young Prince Wilhelm," as he was then called. Boys are not easily fooled by one another, and the impressions of childhood are apt to be not only lasting but remarkably accurate. The Emperor is no demagogue. He loves the applause of the world almost as much as our two competing candidates for the Presidency. Yet, closely as I have sought to follow his public career both before and since coming to the throne, I have never caught him playing the dem-

agogue or deceiving by false promises. He has made mistakes of judgment, or rather, he has been the victim of time-serving Ministers who had not the courage to oppose him; but throughout his quarter-century of Imperial rule he has been not only faithful to his pledges regarding the maintenance of peace, but he has never forfeited the highest title in my vocabulary, that of gentleman.

The German Emperor has been reared in a political atmosphere where the great problems discussed by Henry George are solved not by an appeal to party expediency or interested bosses, but by a cold scientific study of what is good for the State for all time. Wilhelm II has, I believe, read and pondered Henry George's monumental "Progress and Poverty," and it is no small credit to him and to the administration of which he is the head, that the first practical application of single tax principles should have been made in the Province of Confucius when Germany organized Kiau-Chow in 1897.

To say that Germany is fifty years ahead of this country in what is best in socialism is to state the matter with great moderation.

Germany has solved a dozen vital questions about which our highly paid politicians are pretending to wring their hands in despair; and moreover the reforms which Germany has made since my boyhood are nearly all socialistic in the best sense and conducive to the happiness of the whole people rather than for the enrichment of a favored few.

The Kaiser's government gives the people better railway service, better postal service, better trolley and tram-car service, and above all furnishes a national express or parcel post very much more efficient than anything we know in America, and at about one-tenth the cost in this country. These are all a species of partnership between the Government and the people. The list could be lengthened to include most admirably conducted municipal markets, municipal laundries, municipal street-lighting and in fact nearly every form of enterprise which with us tends to become a trust or monopoly very profitable to a few, but unjustly burdensome to the people at large.

While we are not of those hero-worshippers who look for salvation to any one man alone, we yet recognize the propriety of giving credit to Napoleon for the French Code which bears his name. We cordially assent when the venerable Wilhelm I is called "the founder of the German Empire." To the same degree, we deem it right that in any future record of the progress made in our times by humanitarian ideas, if credit is due to any one man, that man is the one who now rules over the most scientifically governed State of modern times—His Majesty Wilhelm II by the grace of God King of Prussia and Emperor of Germany.

A Visit to Switzerland

By PAVLOS GIANNELIA

AFTER four months of inquiries by French and Swiss authorities, I finally obtained permission to visit Switzerland. Compared with France it is an Eldorado where you see—and can buy—bread in the bakeries, sweets and chocolate in the *pâtisseries*, sausages and ham in the butchers, and so on. But compared with the Switzerland I knew thirty years ago—and even with the Switzerland of 1939 at the National Exposition in Zurich—the country now reminds one more of the dialogues of Gessler's soldiers, Leuthold and Friesshard, about reverence to empty hats, than of William Tell's dialogue with his son Walter about freedom and independence.

There are indeed restrictions in Switzerland; but while it is almost impossible in France and Germany to find anything besides the rationed food supplies, Switzerland has additional supplies, like potatoes, fine bread, chocolate, meat, and so on.

In addition, every Swiss and every foreigner who has been in the country more than three months, receives separate tickets for soap, clothes, shoes, etc.

The chief reason for this relative abundance is that five months before the war (April, 1939), every household was obliged to make an inventory of its principal food supply for two months. There was published a complete list of the amount of flour, rice, beans, condensed milk, and other aliments that each family had. These stocks were renewed periodically by each household, independently of the large stocks of the State itself.

To maintain this standard of living, all the land is now under the control of Dr. F. I. Wahlen, chief of the agricultural and economic section of the Ministry of Nutrition. According to his plan, every parcel of fertile land, even the lawns of the public gardens of Zurich, Berne and Geneva, must be exploited. Of the 2000 square miles of arable land, only 400 had previously been devoted to wheat growing. Now Dr. Wahlen demands that 1000 sq. mi. be used for wheat, 400 for other grains, and 600 for potatoes and other vegetables.

Together with this goes reduced production in other lines. In the cattle line, cows are to be reduced from 900,000 to 700,000, and oxen from 800,000 to 550,000; pigs are to be reduced from 960,000 to 540,000. Meanwhile, an intensification of dairy production is demanded; and horses and sheep are to be increased by 20%.

Thus Dr. Wahlen hopes to make Switzerland independent and self-sufficient as it was sixty years ago. He reproaches the last two generations for having neglected agriculture and concentrating mostly on cattle and dairy production.

To Georgeists, the danger in this governmental control is apparent. Some leading men in Switzerland also recognize it. There is Dr. A. Johr, for instance, president of the Council of the most important private bank, the Swiss Credit Bank. At a meeting of the General Assembly, Dr. Johr said: "Private initiative, more flexible, more personal and more adaptable, can often succeed where bureaus, more inflexible, acting more by routine, and more formal, fail. The State, embracing too much, finally injures itself."

As I have already emphasized in a previous article,* the chief reason for the high cost of living, as I see it, is in the high custom duties collected by the confederate government, and the almost complete lack of distinction between land and labor property in the cantonal systems of taxation.

It is astonishing that a country that has "no fuel, no coal, no iron, no gold" (a slogan at the Zurich Exposition) should raise 80% of its confederate revenue by custom duties which amount to 100 francs per capita. The reason for this is that every one of the twenty-five cantons, as a sovereign state, must be considered as the highest landowner; hence, there doesn't remain for the Confederation any other important source of revenue than the custom duties and similar measures. It was only due to the threat of war that the Confederation decided to "violate" indirectly the sovereignty of the cantons, by imposing *octrois* on a certain percentage of the cantonal income and property taxes, part of which are derived from land values.

A people with a finely developed sense of justice and freedom, like the Swiss, tends instinctively toward legislation that divides the tax burden equitably, deriving most of the revenue from benefits that the citizens receive from the community, and falling as little as possible upon labor, skill and initiative. It is characteristic of the conscientiousness of the Swiss that many cantons publish the complete list of figures of the revenue collected by the tax gatherers from the taxpayers! But knowledge of the distinction between land and improvements, a necessary step in equitable fiscal reform, is quite unknown to the Swiss.

During my sojourn in Switzerland, I investigated the land value assessments, and found them inept for immediate taxation purposes. The Peasant Secretariat uses in its statistics separate categories for "inventory" land values and "yield" land values. The inventory land values are based on selling value, and therefore vary with the intention of the landowner to buy or sell, and with conditions in the market. (Inventory land values vary from 20% to 300%

*"Impressions of a Georgeist in Switzerland," *LAND AND FREEDOM*, November-December 1939.

of the average land values!) The yield land values are calculated every year by capitalizing the net yield during the year, the fluctuations thus depending upon the actual yield. However, it is surprising to find that the fluctuations of the yield land values are greater than those of the inventory land values.

The following two tables show the comparison between yield and inventory values in the various land holdings for 1939, and the average of these two values for the years 1901-1938. The figures of the values are in francs per acre.

I. 1939

Sizes in acres	7-12	12-25	25-37	37-75	Over 75	Aver.
Inventory land value ..	1570	1280	1190	1030	950	1200
Yield land value	600	760	960	1080	860	890
Proportion of yield to inventory value	38.5%	58.3%	81.5%	105%	91.5%	75%

II. 1901-1938

Sizes in acres	7-12	12-25	25-37	37-75	Over 75	Aver.
Inventory land value ..	900	700	620	570	465	670
Yield land value	515	615	710	700	605	670
Proportion of yield to inventory value	57.5%	91%	116%	123%	132%	100%

These two tables demonstrate two things. First, that the proportion of yield value to inventory value varies with the size of the holdings; it is small in the small holdings, increasing with the size of the holdings. The falling off of the inventory values in the large holdings indicates the tendency of small land holders to exaggerate the value of their land, the reason for this being the difficulty and desirability of acquiring money to purchase larger estates. On the other hand, the ascending trend of yield value with the size of the holding indicates that the larger estates can be used more profitably. In a large holding, single plots can be more easily subdivided for different forms of production.

The second thing demonstrated is that these differences are partially compensated in averaging many years together, although the above-mentioned trends for the different sizes do not disappear altogether. (The two averages for yield and inventory values for the years 1901-1938 both happen to be 670, but this, of course, is a coincidence.) These averages give important means for the impartial assessment of true land values throughout the country, excluding the skill of the workers and accidental conditions. This method ought to be adopted and extended by the Peasant Secretariat (which already has the respectable number of 15,000 different assessments), so that the value of every plot of land becomes a matter of public record.

And then—the confederate government and the twenty-five cantonal governments, and the one million voters, must be persuaded of the utility and equity of a single tax on land values. Certainly it is much easier to decree restrictions . . . But is the effect the same?

Georgeism—A Planned Economy

By ROBERT C. LUDLOW

IN the March-April and November-December 1940 numbers of *LAND AND FREEDOM*, I expressed the hope that Thomists and Georgeists would find it possible to resolve their ideological and practical disagreements and mutually utilize the suggestions each school offers toward the solution of our economic problems. The foremost obstacle mentioned was the "mind-set" of each group—which results in the "planned economy" outlook of the conforming Thomist and the "unconscious cooperation" of the Georgeist. It is the bruited denial of freedom of the will in the economic sphere that would make the Thomist hesitate. But, granted misconceptions of this kind be overcome, there still remains the question of the will and its place in political economy. And if, with the Thomist, we admit volitional freedom, the further question remains: Does this freedom mean freedom to direct economic life, or does this life remain outside the domain of the will? And does a denial of freedom from economic law (except at a penalty) posit a mechanistic conception of man?

We must satisfy this Thomist notion of volitional freedom—we must show that we too believe in man capable of guiding his own destiny and not altogether at the mercy of impersonal forces. But then the difficulty presents itself—how can we reconcile this belief in man with the Georgeist notion of impersonal economic law? Must we not, in justice to man's hierarchical rank and in recognition of his freedom, postulate a planned economic system? A Thomist might complain: Wherein is the Georgeist ideology superior to that of the Communist or Fascist? Does it not enslave man to an ironbound system of so-called natural economic laws? Instead of allowing man to hold his economic life before him and arrange it intelligently, would not Georgeism compel him to leave all things to impersonal laws so that economic life is relegated to the unconscious? In a word, does not the whole Georgean concept degrade man, make him a mere pawn incapable of conscious control over his life—is it not a system of thought congenial to materialism, determinism, fatalism?

On the surface it would appear a damning indictment. Indeed, there are extremely individualistic Georgeists to whom such an indictment would be applicable. Man, they repeat with the laissez-faire capitalists, must pursue his own self-interest, he must not directly work for the common good. Economic life is like the stomach, if you pay attention to it, it works badly—so leave it to natural immutable laws. Conscious cooperation, that civilized concept, we must put from us—each for himself, and then, through some jugglery of "natural economic laws" this "enlightened selfishness" will heave up communal good.

And labor? It is a commodity to be bought and sold—subject to the law of supply and demand as every other commodity. No room here for any idea of the dignity of labor, of a living wage, of the superiority of human rights over property rights—no room here for any thought of labor guiding its own destiny, forming its own association, defending its own rights.

The trouble with transferring the ideological reasonings of Georgeists and Thomists on this question to the practical realm is that such a transfer is the result in both cases of analogical reasoning. The Thomist speaks of man's dignity, his "differentia" from other animals being in his volition and intellect, and then argues that to deny conscious control of the economic process to man is, in effect, to rob him of this "differentia." The Georgeist has his example of the digestive system—how nicely it works when *we* let it work unconsciously and how badly it works when we begin paying too much attention to it. And this he transfers to the economic sphere and likens its laws to the laws of digestion. And because it is analogical reasoning neither example seems to me necessarily to hold. For since it is *we* who leave our economic life to the "unconscious" it is *we* who *will* to do so, and this implies we could *will* not to do so (though we might take a penalty). And again, there are obviously departments in which free will is inoperative (we are all subject to the laws of gravitation whether we will it or not) and whether economic life is one of these or not must depend upon which—a planned or an unplanned economy—better serves the common good. Surely if an unplanned economy *will* work for the common good it would be superstitious to insist on a planned one to conform to our ideological requirements. And if we find that the unplanned economy does not work for the common good, no amount of "digestive process" reasoning should make us stick to it. We have had some experience with the planned variety. As to the unplanned, the Georgeist would say we have never really tried it; traditional capitalist economy was a sham trial.

It is my opinion that Georgeists could very well discard Mandeville's concept of "enlightened selfishness." It might be argued that use of this notion is one reason Georgeism makes so little headway among the general population. Even if we do build, or would build, society on this principle, we wouldn't like to admit it—if our blueprints were idealistic, nothing else would be. But I hardly think that a valid throw at Georgeists, as far as the general populace is concerned. Those among them who have heard of the system think of it as another idealistic venture in the same class with Socialism, Communism, and (God help us) even Townsendism. But, apart from ideological or psychological reasons, I think, for practical purpose, we might well substitute the notion of conscious participation in economic life for the Mandeville principle.

Under the Georgeist system, we are told, if the individual dislikes the terms of his employer he can, having free access to natural resources, go off and employ himself. All very well in a simple society. But we must promise the worker something better than that today. We must offer him a more positive share in the great technical resources that exist today. Something should be done to assist him in getting the means for extracting wealth from land. We must be concerned with individual workers, and find a place for them in our social system.

To realize this ideal, we must look for a way that avoids collectivism of the Communist variety. The most feasible seems to have independent workers band together in conscious cooperation and, by their united savings, obtain the means of production. In short, to make Georgeism applicable to present-day needs we must utilize the Rochdale principles. Thus, after application of the single tax, we would proceed along the path of group (rather than national) planning. This neither implies a centralized bureaucracy, of which Georgeists are rightly suspicious, nor does it imply a "fixed market." For the products of the various labor groups (who banded together to obtain the means to operate separate industries, each a unit from the rest) would have to meet on a free market. This cooperative system is indeed what Henry George himself envisioned as a probable result of the single tax.

This utilization of the "conscious cooperation" concept implies that labor will not be regarded in the same category with goods, as a market commodity. This because, as Leo XIII points out, "the freedom which man enjoys as the ruler of creation, and the personality which he injects into his labor put upon the performance of work a dignity which cannot allow it to be bought and sold and which ennoble it into a super-material sphere." Though, from the point of logic, many Georgeists regard labor as a market commodity, I think they revolt against the notion (unconsciously perhaps) as desirable or in accordance with man's dignity.

Friedrich Wilhelm Foerster speaks of culture as "the repression of egoism." I quarrel a little with the words; I would rather say culture is the sublimation of egoism. It is a non-intellectual definition and the only one I find satisfactory. And applying it to economic systems, I would conclude that any system built primarily upon unrestrained individualism is hardly conducive to the cultural life. Just as no ideology built upon unrestrained nationalism can promote individual or national culture, so no economic system can build itself around a concept of individual greed and expect either individual or communal culture to result from it.

All in all, because of man's place in the hierarchy of beings, because of the cultural and practical reasons discussed. I prefer to think of Georgeism as what, in the last analysis, it really is—a planned economy.

Three Theories of Rent

By RAYMOND V. McNALLY

[This is the second and final instalment of the article, the first having appeared in the May—June, 1941 issue. We take this occasion to correct two typographical errors in that part of the article heretofore published: on page 95, 6th line from top of second column, the word "normal" should read "moral"; on page 96, 28th line from top of second column, the word "ascertain" should read "ascribe." Immediately following this concluding instalment will be found an article entitled "In Defense of Ricardo," a comment on the views of Mr. McNally.—ED.]

The Realists

THE realists are neither moralists nor psychologists. Their method is purely scientific. They insist upon a strictly literal explanation of economic life as *it is today*. In discussing the market, they have in mind only one kind—namely, that which operates today. They regard it as the area in which men bid for the goods and services that other men have to sell. The mere presence of goods and services does not give them value. Human labor alone does not create value. There must be a demand for them. But the mere bidding on the part of buyers is not enough. To have value, the goods and services must be *actually sold*. Before sale, they can have only a potential or speculative value. Every business consists of a buying and production department and an administrative and selling department. Some business concerns of course do not make things themselves but buy them ready-made from other establishments, and their only production activities, if any, consist in getting them ready for sale. Although the owners of businesses supervise the production and buying, their chief personal functions are those of administration and selling. Goods and services may be produced, but they cannot reach the hands of consumers and have value until they are sold. They are sold for money or credit by means of which other goods and services are obtained, either immediately or later, in exchange for those that have been sold. In the market, buyers are free to refuse to pay the price demanded by sellers, and, on the other hand, sellers are free to refuse the price offered by buyers. Neither the buyers nor the sellers coerce or compel each other. Unless this freedom prevails, there is no market and thus no value.

Now just as private services must be bought if people want to obtain them, so public services must be bought if people want to receive them. To receive the latter, one must occupy a certain portion of land, for these services are only delivered to sites or locations and are sold to the occupants by landowners. The payment is called rent. Rent or the value of land, therefore, is based on public services and on nothing else. The landowners do not sell or rent land as such but only the public facilities that attach

to land. If these facilities were obtained direct from the government, they would not be services but *privileges* or *benefits*. To constitute services they must be obtained by purchase through the democratic process of the market. The government officials cannot sell the public facilities, for they are not in the market. Why they cannot possibly be in the market I shall explain later.

The value of the public services is determined by the bargaining that takes place in the market between the landowners and the occupants of the sites. We observe that the landowner and the user of the site enter into a free contract, neither coercing or threatening the other. The tenant is free to refuse to pay the rent demanded, for not only does the landowner not coerce him, but the landowner has no monopoly of public services. The tenant can obtain them at other sites. And by the same token, the landowner is free to refuse the rent offered by the tenant. There is more than one tenant. This is democracy at its best. And so we see that rent is not an arbitrary payment like a tax but is fixed by the competition of the market. The tenant pays only what he believes the services are worth to him.

The public servants comprise the production department of the public service business, while the landowners comprise the administrative and selling department. The former receive stipulated salaries and wages, but unlike the employees of a private business, they fix their own compensations and pay themselves out of the wealth they seize from the people through taxation. They do not receive them from the owners of the public capital by any exchange of services. The landowners, on the other hand, receive their compensation in the market by virtue of their service in selling the public services to site-users. This compensation constitutes the profits of the public service business which remain after all the costs, consisting of the wages of the public employees and the interest on the borrowed capital plus all other costs of depreciation and obsolescence, have been met. The net income or net rent left in the hands of the landowners when capitalized at the current rate of interest gives the capital value of land. This capital value of land is nothing else but the value of the *public capital*.

To the extent of merchandising the public services to site-users, the landowners are the owners or administrators of the public capital. Unlike the owners of private capital, they fail to supervise the employees of the production department. The result is irresponsible government and bureaucracy, for these employees are responsible today, not to the owners of the public capital, but to the electorate, or to be more precise, to the pressure-groups to whom they

grant privileges and subsidies in order to maintain themselves in office. These privileges and subsidies call for taxes in addition to those deemed necessary to provide compensation for the public employees. All these taxes, including those used to compensate the public employees, reduce by that amount the value of the public services to site-users and less rent is paid. But the burden on the site-user is not only the amount of the taxes he pays but the loss caused by the indirect cost of taxation—that is, by the methods used to collect taxes and the restrictions and regulations imposed on his business directly or indirectly by the manner in which the tax funds are spent. Thus the site-user is still further impoverished, and the amount of rent he pays is even more reduced. He does not pay twice for public services, once in rent and again in taxes, as the neo-Ricardians claim. Taxes are a charge against rent. The landowners today do not pay the wages of the public employees and the costs incidental to the maintenance and the borrowing of the public capital directly. These are paid out of the taxes collected from site-users. Not all the taxes, however, are used to finance the public services. Some of the funds are wasted, and a large part of them goes to finance *disservices* such as subsidies and various ventures for the regulation of and, consequently, interference with private enterprise. But the landowners do pay the public expenses *indirectly* when their rent is reduced by the taxes levied on their tenants. If all taxes were abolished, landowners could pay the public expenses directly, because rent would be increased by at least the amount of those taxes. In fact, they would have to pay them and also to see that the funds were spent as effectively as possible, for otherwise there would be no public services and consequently no rent. And it is reasonable to assume that it would be to their advantage not only to do this but also to supervise the public employees and to extend their administrative functions in connection with the public capital, for the abolition of taxes together with their concomitant indirect costs arising out of the restrictive and punitive methods of collecting them and the waste and inefficiency and the devastation of private enterprise involved in the spending of them, would enable site-users to pay more rent and thus to increase the landowners' profits. The realists, however, are careful enough to point out that landowners are no more aware of their real functions and the true nature of rent than are other people.

In order to see more clearly why the site-user does not pay twice for public services, let us turn our attention to private enterprise for an illustration. If a furniture establishment, for instance, were to conduct its affairs as the public service business is conducted, it would soon go into bankruptcy. If the owner failed to supervise and pay the employees and allowed them to compensate themselves by seizing the wealth of his customers, his income would fall

off. His customers, being in reduced circumstances as a result of the depredations of the employees, would not and could not possibly pay twice for the furniture. If a bedroom suite cost \$1,000 to make and to sell and the employees seized \$500 from each customer for their compensation, the customer would pay only \$500 to the owner for the suite. He would pay the difference between the total cost of the suite and the amount seized from him by the employees. In other words, what he would pay would be equivalent to the value of only the administrative and selling services of the owner himself. The same thing is true of public services. The rent the site-user pays today represents not the total cost of the public services (for part of them is financed by taxes—the part that I term the production department) but only the value of the landowner's services fixed by the market plus the amount of taxes that are now levied on the value of land and the wages of any private employees he may have. It is doubtful whether the owner of the furniture factory would receive as much as \$500 for the bedroom suite, for the manner in which the employees would seize the customer's wealth would impoverish the customer by more than the actual amount seized. If these seizures continued, the owner's income would steadily decline until he was forced out of business.

I wish to refer now to the statement that I previously made that government officials cannot sell the public facilities because they are *not in the market*. Only the owners of capital, whether public or private, from the use of which services flow, can sell those services. Government officials do not own the public capital, not even as representatives of the electorate. The masses of the people are consumers of the public services and they cannot also be owners of the things they buy. That would be like a lawyer acting as his own client or a storekeeper acting as his own customer. It might be said that they are owners in the collective sense and consumers in the individual sense; but then there is something else to consider. The owners of capital receive the income from it, but the masses of the people do not receive any income from the public capital. Furthermore, the citizens of a country cannot exercise proper supervision over the public servants, because there is no unity among them. They have many different interests, and each one seeks his own welfare, not the welfare of all. Government, therefore, is responsible only to the strongest pressure-groups, and the particular interests of each conflict with those of the others. The owners of a private business may at times disagree on policies, but they are all united for their common good by a common interest—their income. The citizens receive no income from the public capital and, therefore, have no unity of purpose. And being divided against one another, their only *direct* interest in government lies in the favors that are doled out to them. Their *indirect* interest concerns itself with the public services, but these

they buy in the market direct from landowners as occupants of sites. The public servants have no contact with the market. They could only be brought into the market and made responsible through the medium of landowners if all taxes were abolished and they received their compensation direct from landowners out of the increased rent that would result.

Recapitulation

The rent we have been discussing is ground rent as distinguished from the rent that is paid for the use of a building or a machine. We have seen that rent is not paid for land as such nor for the natural advantages attaching to land. Rent is paid for those advantages of location that cannot be dissipated or equalized by exchange—namely, the public services, such as public highways, sewerage systems, police and fire protection, etc. It is determined by the competition of the market and is a *voluntary* payment to the landowner. It cannot be paid direct to public officials, for then it would be a tax. Taxes are always paid *under compulsion*. Those who advocate paying rent direct to public officials or who advocate taxing the value of land (which would require public assessments) are in effect demanding that we scrap part of the exchange system—that part which concerns itself with public services—and that we place ourselves *to that extent* under the domination of the state. They are dangerously close to the Marxist who demands that the *entire* exchange system be scrapped and that we place ourselves *entirely* under the domination of the state.

The realists, on the other hand, favor extending the exchange system or, in other words, the democratic way of life, so as to bring the public servants within its scope and make them responsible individuals. They contend that private *property* in land as distinguished from mere private *possession* must be maintained, as private property in land is the bulwark that protects private enterprise from the encroachments of bureaucracy. Destroy private property in land, they say, and the trend toward state socialism would be accelerated.

Some people honestly fear private property in land because they believe that it leads to the holding of land out of use. They view the problem of poverty and unemployment as a land question. This view is invalid because there is no scarcity of land in the aggregate. There is a scarcity of certain types of land or locations but so is there a scarcity of certain kinds of skilled labor. Furthermore, to say that land is held out of use is to set themselves up as arbiters of what rent the landowner must accept. This attitude leads them to demand that land be taxed into use. This is the attitude of the fascist who has little or no understanding of the basic principles of the exchange system. We cannot force the production of wealth. Production is

a voluntary process. Forcing land into use is only one step removed from forcing employers to pay minimum wages or forcing industry to charge prices fixed by the state. It lessens rather than increases the production of wealth. Landowners as a class are anxious to receive an income from their land, and they can only receive it if they rent their land to those who are able and willing to use it. Some landowners of course have very poor business sense, and their land lies idle because they demand too high a rent. This does not force men to go without land, for they merely take some other location. Nor does it compel them necessarily to go to poorer locations, for the owners of the poorest locations sometimes demand so high a rent that producers move on to better locations. If we are to maintain the democratic process of the market, landowners must be accorded the same freedom to refuse the rent offered as site-users enjoy to refuse to pay the rent that is asked. Otherwise there can be no rent. Rent is established by the bargaining process, and there must be freedom on both sides.

We cannot *force* land into use, but we can *increase the demand* for land by abolishing all the taxes and restraints that are depressing industry. When industry is depressed, it uses less land, rent falls, and landowners are inclined in some cases to wait until the demand revives rather than rent their land at too low a figure. Whether land is ever actually held out of use is a matter for the psychologist to determine. Not concerning himself with psychology, all the economist knows is that land is *driven out* of use by taxes and bureaucratic interference with private enterprise. Private property in land today is gradually being destroyed, and land is rapidly passing from private hands into the clutches of the state as a result of the heavy taxes that bear on industry and on land itself. We can scarcely imagine the heights to which civilization could rise, the stimulus to invention and productive effort, the flowering of the arts and the increased mental and physical vitality that would result, were industry freed of bureaucratic restrictions and society purged of political corruption and inefficiency. And it must be definitely stated here that the resultant advantages would not be absorbed by rent, as the Ricardians claim, for as I previously pointed out, rent is not fixed by the "margin." No one would bid for any location if all of the advantages were absorbed by rent.

* * *

A great deal more can be written on this subject, and I realize that many questions may arise in the reader's mind that I have not specifically answered. However, I believe that the thoughtful reader will find that I have anticipated some of them at least, if only by rather broad strokes. My chief purpose has been to stimulate thought on this very important subject.

In Defense of Ricardo

By A COMMITTEE OF RICARDIANS

WHILE we are in accord with Mr. McNally on the importance of the phenomenon of rent in modern society, we cannot agree with his theories. We therefore feel obliged to submit this extended comment on the thoughtful article Mr. McNally has written.

In presenting his analysis of three theories of rent, Mr. McNally begins with the Ricardian, the "orthodox" conception. After a statement of the Ricardian law (in the first paragraph under the heading "The Ricardians"), the author uses the familiar island illustration to attempt to prove the inadequacy of the theory (second paragraph). In settling A on better land and B on poorer, he assumes the need for A to police his own holding. But the assumption is unwarranted that A's excess of five bushels is the result of police protection; it is due to the greater fertility of A's location. Admitting for the sake of argument that policemen have enabled A to produce the extra five bushels, and admitting further that they get the whole excess should we assume that A gets no other benefit from police protection? Since we are asked to assume the necessity of protection for the five (rent) bushels, is it asking too much that the policemen also protect A in his possession of the remaining five bushels, as well as A's person in his daily exposure to the thieves and murderers of all kinds in Mr. McNally's *realistic* world?

As for Mr. McNally's criticism, (in the fourth paragraph) that the Ricardian demonstration does not apply to an exchange society, we say: Not only is the Ricardian theory applicable to an exchange society; it is not really applicable to any other. The simple conditions used by Ricardians in illustrating the law of rent are *situations of an exchange economy*, with society reduced to a few individuals, for the sake of simplicity—but this is not a "primitive" or individual economy as opposed to an exchange economy, which Mr. McNally would have us believe.

In the same paragraph, Mr. McNally attempts to show the inconsistency of the Ricardian theory by asserting that since B would gain no advantage in renting A's land for five bushels, rent would have to be less than five bushels, i.e., less than the excess; the inference being that if B did not rent A's land there would be no rent. This, however, is not true. If B does not rent A's land, we have a right to assume that A will use it himself and collect, out of the produce of ten bushels, five bushels as rent and five as wages. It may be argued that A might have more land than he needed for himself and it is this surplus land which he offers to let for rent. But such an argument would suppose a case of land *speculation*. In other words, the ten-bushel land, of which we have just assumed a surplus, would be the *normal* margin, and the five-bushel land an *abnormal* or speculative

margin. Normal rent cannot be less than the excess productivity, because the competitive bidding keeps the rent up to the whole of the excess productivity. When the supply of land is greater than the demand, that land is marginal and can have no value. If, as in the case here given, A is willing to take less than the "excess" as rent (let us say three bushels instead of five), this is proof that speculative rent had entered the picture, and the acceptance of the smaller, more normal, rent signalizes that the speculative bubble has begun to burst, and speculative rent is coming down. The Ricardian law is still working—the margin is raised from five-bushel land to seven-bushel land.

It is assumed, (in the fifth paragraph) that A and B now exchange products for products, instead of products for land. B on his inferior land produces five bushels of potatoes with the same labor that A produces ten bushels of corn. In the open market, says Mr. McNally, B would receive twice as much for each bushel of potatoes as A would receive for each bushel of corn, in which case A would enjoy no advantage. But this assumes that B's land is the only land on which potatoes are being produced, and that A's land is the only land on which corn is being produced. What of a third person, C, producing either corn or potatoes on still inferior land? In such a case, wouldn't both A and B enjoy an advantage? And wouldn't that advantage be due to the superiority of the natural qualities of their land? And of course it would be quite arbitrary to rule out that on A's land ten bushels of potatoes might be produced, as against B's five, so that A need not exchange at all with B on the basis that Mr. McNally has supposed.

The last paragraph under "The Ricardians" is full of amazing conclusions. We can agree that no one can profit from natural advantages when he does not own land, but must instead pay rent for such advantages. The fact is that landowners always charge for natural advantages, and such are not equalized through the process of exchange; they can only be equalized through the process of a tax on land values.

The statement that A would go bankrupt if he did not own land but rented it from some one, is puzzling. We fail to find any ground for this conclusion in the examples previously given. First, (second paragraph) we are told that there would be no rent. Then, (third paragraph) that the rent would be turned over to the police. Next, (fourth paragraph) it is said that rent could not be more than the excess and might be much less. Finally, (last paragraph) there is another illustration of no rent. But if the sobriety of this type of discussion may be moistened with a little levity, we think Mr. McNally and ourselves are on common ground

when he supposes a situation in which anyone but a landlord is very likely to wind up in bankruptcy!

With all deference, we submit that Mr. McNally misunderstands Ricardo's law. He seems to think that rent, according to the Ricardians, is determined by actually measuring the wealth produced on a given location with that produced at the margin by men of identical ability. Such a process is impracticable as well as unnecessary. Rent is determined by *demand* on the part of many individuals—of varying ability, it may well be—for particular locations. It is obvious that their demand will be determined by the *possibilities* of the different locations, and by a knowledge of such possibilities on the part of the men, with an ability to take advantage of them. The rent of land will *tend* to be determined by these possibilities, and this is implied in Ricardo's statement. Rent can be determined just as easily whether the bidders be of the same or varying degrees of ability. What each bidder is willing to pay for land is based upon its superiority over another location, the value of which in turn can be determined by still less desirable land, and so on until we reach the poorest location in use, which has no (exchange) value, and which is the margin. As long as there is a margin, it will be the final basis of determining the rent of land. When the margin has disappeared altogether, rent will be determined by the minimum of subsistence.

Mr. McNally has not disproved the Ricardian law of rent. We reaffirm our conviction in Ricardo's self-evident proposition: *The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use.*

* * *

More time is spent in "Three Theories of Rent" on the *Neo-Ricardians* than on the Ricardians. Mr. McNally would have done well to spend more time on the latter, for his whole superstructure depends upon a refutation of the Ricardian law of rent, as we shall see.

The "Neo-Ricardians" is a recent name for those who hold that rent is due only to social and governmental services and not to natural advantages. We would like to interpolate at this point that so-called social services, as distinguished from governmental services, are nothing more than the activities of people, springing from the division of labor. If we examine the idea of *governmental* functions it will be seen that they are but the result of a specialization or extension of the ordinary social services, being different only in degree and not in kind.

Mr. McNally considers the Neo-Ricardians a step in advance of the Ricardians. However, he has some criticisms to make of their views. In his second paragraph (under the heading "The Neo-Ricardians") he criticizes the idea of so-called "stand-by" services as a factor in rent. Mr. McNally here seems to misunderstand the Neo-Ricardians in

their meaning of "stand-by" services, for he describes these as consisting of the cost of carrying goods in stores, or standing ready to render some form of service. But this cannot be what the Neo-Ricardians mean if they intimate that the value of stand-by services goes to landowners. No individual service can increase rent. Goods and services are paid for in the price charged to the customer, as Mr. McNally correctly states. But the convenience of being located near the various services rendered is a service over and above that rendered by individual business men. That is a community service, caused by the presence and activities of the population, and is expressed in rent. If the Neo-Ricardians do attribute this service to the individual businesses themselves, they are in error.

In this next paragraph, Mr. McNally includes proximity to market with natural advantages. We contend that this is a community advantage. However, Mr. McNally would eliminate *both* natural advantages and social services as factors of rent. His claim is that while they give *utility*, they do not give *value* to sites. Here he places some of his own philosophy, *realism*, in jeopardy. For it is not possible that these advantages and services can give to all sites the same degree of utility; some sites are bound to get more than others, and as a result, must have some value. This is a truly real, as well as a Ricardian viewpoint. Mr. McNally has not eliminated the market—nor, indeed, any other social advantages—as a determinant of rent. Is it not a matter of common observation that sites near the market command more rent than sites farther away? Indeed, as the Ricardians maintain, *any factor*, in the way of natural or social advantages, that makes one piece of land more desirable than another, will give to that land a rent.

In the rest of his discussion of the Neo-Ricardians, Mr. McNally criticizes their psychology that "rent is a debt due the public." We can discover nothing fundamentally wrong in this view which he assails, but since the limitations of space press upon us, we will proceed to an examination of that concept of rent which Mr. McNally endorses, and which he calls the "Realist" view.

* * *

In the second paragraph, Mr. McNally translates the processes of the goods market into the transaction of *landowners selling public services*. He has sought to eliminate natural and social advantages as factors in creating rent, and to contend that only governmental or public services are factors. We have heretofore shown that governmental or public services are but items in the larger category of social advantages, so that we find here another case of "reasoning in a circle." In his third and fourth paragraphs Mr. McNally further elucidates his conception of the landlord in the market, selling "public services." He says of the bargaining between landlord and tenant, "This is democracy at its best." Now it is obvious that land is needed by labor

in order to produce. Those who do not own land are not on an equitable basis with those who do. Mr. McNally answers this by saying that land is not a "monopoly"; that the use of land is on a competitive basis. We reply that no matter how widely diffused is landownership, the fact remains that the owner has an advantage over the landless man. In countries such as France where there were a great many holdings split up among a great number of landowners, tenants were rackrented worse than where land was the subject of closer monopoly.

The fifth paragraph seems to be the backbone of the Realist view. Herein we are told that waste in government and bureaucracy calls for more taxes than would be required for legitimate public services; that this reduces the value of public services to the site user who therefore *pays less rent*. "Landowners," says Mr. McNally, "do pay the public expenses *indirectly* when their rent is reduced by the taxes levied on their tenants." He proposes that *all* taxes be abolished, and all rent remitted to landowners, who would then, of necessity, be the administrators of public services on a competitive basis. This is indeed cause for rejoicing. (?) All the taxes of which tenants now complain are not the unmixed evil they think, implies Mr. McNally; are they not escaping the additional rent which the landowners would otherwise receive when waste and bureaucracy should be removed? This *is* a paradox.

All the blame for our present topsy-turvy system is placed upon bureaucratic cupidity. The landowner, as the true administrator of the public capital, says Mr. McNally, finds his hands tied by restrictions. But, he asserts, "landowners are no more aware of their functions and the true nature of rent than are other people." This is realism indeed!—to gratuitously offer landowners a function of which they have been unconscious all these centuries. If their predestined duty has made them the guardians of society, they have been woefully unaware of it. Plunder, aggression, greed, fraud, disregard of the common rights of others—these have been more characteristic of the lords of the earth throughout the ages rather than concern with the common welfare—and in times before bureaucracy could be made the scapegoat for all mankind's ills.

Now it is clear why Mr. McNally has endeavored to do away with natural and social advantages, and to suppose that rent arises only because of the public services rendered. Manifestly, if rent is due to nature, or to the mere presence and activities of population, there is no reason in the world why the landowner should be the administrator of the rent fund. He is then not rendering any service whatsoever in making these advantages "available." They are there for people to come and take, and he is merely standing in the way.

To explain why landowners, rather than the government, should be administrators of the rent fund, Mr. McNally

uses an illustration from private business, in his sixth paragraph. His conclusions as to the private business are correct, but we fail to see their applicability to public services. The analogy is ingenious, but serves no purpose.

Mr. McNally goes on to state that citizens of a country have no common interest; therefore no common administrator, like the State, can serve for all of them. He would accordingly turn over the government to the landowning class. This would be the end of democracy. The proprietary society advocated by Mr. McNally would be but the return to the old feudal system, in a new dress.

The Realists, however, believe that under their plan we would only be extending our free market system. They counter the fear of private property in land with a fear of common property in land. They believe that we would be scrapping our exchange system if we allowed the government to administer the rent fund. To publicly collect rent as a tax, says Mr. McNally, would make it a compulsory payment, not the free exchange that a free society demands. We fail to see his distinction between a landlord and the government, in this respect. If a person chose to remain on a certain site, the landowner would demand that the full rent be paid under Mr. McNally's system, as much as the government would, under the public collection of rent. And under this latter system, a tenant would have a free choice to move to another site if he so desired—even to a site where there was no rent to be paid at all—the margin.

Mr. McNally further objects to the proposal to force land into use by the taxation of land values. It is the word "force" that strikes him as being a bit fascistic. This is a quibble over words. If the "force" that we advocate will lead to a liberation of productive enterprise, let us not be concerned about the word's uglier connotations in the fascistic philosophy.

* * *

Mr. McNally has spoken out against the evils of the bureaucracy of our present democratic processes. We join him in his sincere wish to be rid of the present corruption of officialdom, and we commend his able indictment of the arrogance of many of our public "servants." On the other hand, we feel there is less reason to distrust government of the people, with all its faults, than the aristocracy of landed proprietors which Mr. McNally offers as a substitute. We still believe in *democracy*, and one day we hope to attain a government *of* the people, *by* the people, and *for* the people—and to replace high-handedness with high-mindedness. Mr. McNally has said that landlords have not yet been made aware of their true function in society. We submit that this observation would have more weight if directed to the unawareness of our officials and electorate to their functions and duties. Government can be no better than the intelligence of the citizens who comprise it.

The Critics Criticized

By JACOB SCHWARTZMAN

[This is the fifth of a series of articles by the same author, dealing with the objections of noted economists to the doctrines of Henry George, and the refutation of such objections.—Ed.]

IN a mildly-worded essay, Prof. Charles J. Bullock, in his "Introduction to the Study of Economics" (Silver, Burdett & Co.) denounces Henry George's proposals.

(Charles Jesse Bullock was born in Boston in 1869. He received his Doctorate from the University of Wisconsin, and has taught economics in Cornell, Williams College, and Harvard. He is now Professor Emeritus of the latter university. He is a Fellow of the American Academy of Arts and Sciences, and former President of the National Tax Association. He is the author of numerous books on finance and economics.)

Prof. Bullock's ten objections follow:

1—All social progress does not increase the demands made upon land.

(a) Improvements cause better lands to be more intensively cultivated, thereby contracting the margin, and throwing poorer grades of land out of use. Therefore, rent is decreased.

(b) Rent is increased only in large cities.

2—The second fallacy is that of supposing, in any case, that the demand for land can increase indefinitely, and can throw most of the product into the hands of landlords. Beyond the point set by the standard of living, population—and hence this principal demand for land—will not increase. It can never increase beyond the point set by the claims of capital, and by the desire of laborers to maintain their standard of living. Nothing can be more incorrect than the theory that rents paid to landowners are a necessary cause of poverty, attending all social progress.

3—On financial grounds, which cannot be enlarged upon here, any single tax is highly objectionable, and is condemned by all authorities. (E.g., Bastable, Plehn, Ely, and Seligman.)

4—There is no such thing as "natural rights" of society to land. Landownership is justified because of social utility.

5—Economic rent cannot be called unearned, since, in one sense, it accrues mainly to people who incur the risks of investing in land, and cannot be secured without exercise of foresight. Investors should at least be guaranteed their losses on capital invested in improvements.

6—As a revenue measure, the single tax would often prove a disappointment. In England, the rents of agricultural lands have steadily fallen.

7—There are other unearned incomes besides those secured from some pieces of land. They should be taxed also.

8—As a simple matter of fact, all those persons who

have the good fortune to be favorably affected by each actual turn of social development are likely to receive unearned incomes. It is just to tax them all; but not to tax them away.

9—In the United States, any unearned increment is likely to be distributed quite widely, because landownership is widely extended. Too many people would suffer by the tax.

10—Confiscating the value of land without compensating present owners does not appeal as just to the conscience of the average American. The present owners have invested in land in good faith.

* * *

My answers follow:

(1)

(a) It is untrue that if better land were more intensively cultivated rents would therefore fall. The rents of the more productive lands would rise tremendously because of the increased demand for that type of land. Statistically, this is borne out by facts. Rents have risen sky-high on such super-productive sites.

(b) The concession is amazing. First it is claimed that intensive cultivation decreases rent, then it is asserted that "rent is increased *only* in large cities". Where is production intensified the greatest if not in large cities?

(2)

Bullock here claims that people's demands for land will never be much more extensive than they are to-day. He feels that our desires are limited. No greater fallacy could be uttered than this attempted destruction of the second Georgeist axiom. "Man does not live by bread alone." He may, and does, want cake, both of the physical and spiritual variety. Man's demands always increase, all things being equal. History proves this from time immemorial.

Secondly, the professor feels that capital can set the limits of men's desires. This is a cousin to the "wages-fund" doctrine, which looks upon capital as the source of wages. Men will not be bound by any current standard of living, or the amount of capital in a country. If that were so, we would still be living in caves; if that were so, labor would not produce any more capital than has ever been produced!

Thirdly, increase in population is not the only reason for increased demand for land. Satisfaction of primary desires leads to satisfaction of still higher ones, which in turn leads to a greater valuation of the land in use, the source of the increased production.

(3)

We cannot answer this objection here, since no reasoning is offered save an invocation to authority. We shall therefore examine it when we criticize Ely and Seligman jointly in the next article.

(4)

Even if the author challenges the "natural rights" theory

of ownership of land by the community, this still does not justify private ownership because of "social utility"—an ambiguous term, which may be used to justify slavery, robbery, prostitution, and practically everything else under the sun. If not because of a "natural right," then on ethical and moral grounds (which Bullock does not attempt to eschew) all men in common must own the earth. Private property in land results in nothing but inequality, injustice, poverty and bloodshed.

(5)

I have already refuted this objection in the third article of this series. Nevertheless, I shall repeat that since the investors had no right to the ownership of land they have no right to any proceeds in connection therewith; and the community is not concerned with the speculative enterprises and "losses" of the "owners" of the universe.

Bullock is evidently confused when he speaks of guaranteeing "losses on capital invested in improvements." In a Georgeist society the community will not take over the improvements, but only the land.

(6)

Even if the single tax would be financially inadequate, it would still replace certain havoc-producing taxes of today. It would result in what is really the prime benefit of the proposal: the sweeping away of all restrictions to the use of land, the "ownership" of which is a bar to production. The taxation of land is not merely a fiscal measure; it is a thoroughgoing social proposal. Nevertheless, it is not reasonable to aver that the single tax would be a fiscal failure. As the community grows, so grow its needs, so grows the demand for land, and so grows the rent, which would result in greater revenue under the Georgeist plan.

Why English agricultural land is singled out is indeed puzzling. Naturally some rents will fall, and some will rise. But a rise usually occurs in the great cities, where the pampered parasites of society drain the life-blood of the laborers and the capitalists alike.

(7)

This objection has been frequently answered. We feel that all other monopolies will tend to disappear when the land monopoly is destroyed, since they all directly or indirectly spring from land monopoly. However, it is no argument against the taxation of land values to say that there are *other* monopolies. It is an admission of the evil in the mother of all monopoly. As a matter of fact, the Georgeist philosophy means much more than the taxation of land. It is a sweeping condemnation of all that is unjust in society.

(8)

Here the author, in his attempt to avoid "land socialism," falls, astonishingly enough, into the trap of complete socialism! All favorable developments should be taxed he says

(albeit not taxed away, he hastily adds), which means that all profits would be discouraged, and personal, as well as real, property taxed. Needless to say, Georgeists do not believe in taxing the fruits of human labor.

(9)

The fact that there are more landlords in the United States than elsewhere in the world should cause about as much jubilation as would the statement that there are more kidnapers in this country than anywhere else in the world, and that therefore we should not punish the kidnapers, because more of them would suffer. If landlordism is an evil, the multiplicity of its members can hardly be a reason for permitting it to live.

(10)

That which cannot be originally owned cannot be owned after a series of transactions. The passiveness of the people to robbery of any kind, especially when in their ignorance and weakness they have been unable to combat it, cannot be construed as a waiver of their rights, either in law or in equity.

Our Australian Letter

From A. G. HUIE

[We welcome Mr. A. G. Huie as our new Special Correspondent for Australia. Since the death of Percy R. Meggy, of Sydney, in 1935, LAND AND FREEDOM has up to now been without an Australian Correspondent. Mr. Huie is Secretary of the Henry George League of New South Wales and Editor of their organ, *The Standard*. Readers will recall previous articles by him in LAND AND FREEDOM. One of the earliest and foremost leaders in the Georgeist cause in Australia, Mr. Huie is well qualified to keep us informed on the current economic scene in that country. We look forward to further Australian letters from Mr. Huie, of which we present the first herewith.—Ed.]

THE AUSTRALIAN ELECTORAL SYSTEM

OUR system of electing members to the House of Representatives and the Senate is defective. Like yours in the United States it fails to provide for freedom at the ballot box and for effective representation in the legislature.

For the House of Representatives it is preferential voting, that is, the elector numbers the candidates in the order of his choice. If the leading candidate fails to secure an absolute majority of the votes recorded, the ballot papers of the lowest candidate are taken and allotted among the others on the second preference. If necessary, this process is continued until only two candidates remain and the man with a majority is declared elected. Of course it is right that where one man has to be elected he should have the support of a majority of the electors.

At the same time a group of adjoining electorates may return members of the same party although there is a very substantial body of public opinion unrepresented. For example, South Australia sends six members to the House of

Representatives. The Labor Party polled over 42 per cent of the votes but only elected one member.

For the Senate we have a most extraordinary method of counting the ballot papers. The electors number all the candidates. Usually three are elected for a State for six years, sometimes four if a Senator of the other group has died and his position was temporarily filled. When all the ballot papers are counted according to the first preference, the lowest is counted out and the process is continued until only two remain. The leading man is then declared elected.

The ballot papers are then put back to the original number one position. Then the ballot papers of the man elected are counted on the second preference to the other candidates. The elimination process is then gone through again, and so the second man is elected. This plan is repeated until the number to be elected is complete. The system is designed to give the party in a majority in a State a monopoly of representation.

At the last Federal Election the United Australia Party—United Country Party elected sixteen Senators and the Labor Party three Senators. It had a majority in only one State. Throughout Australia the U.A.P.—U.C.P.—the Conservative Government Party—had just over 50 per cent of the votes in its favor and elected 84.21 per cent of the Senators.

The Henry George or Single Tax movement in Australia strongly supports Proportional Representation. It objects to the two main political factions monopolizing representation. We hold that electors should vote according to the merits of the men offering their services. They should be required to think, even as to the respective merits of the candidates of the party they favor, instead of recording a blind party vote.

Electoral reform for municipal and shire elections is long overdue. The voting system to elect these councils, except the City of Sydney, which uses the Senate system, is the most primitive in use in New South Wales. The electors vote by making crosses opposite the names of the candidates they favor. There is one exception—the country City of Armidale has Proportional Representation.

It is quite a common thing for the aldermen for a ward, and sometimes for a whole municipality, to be elected on minority votes of the electors. In this way men may control a council when the electors voted to keep them out of it. We want proportional representation for all Council elections.

The present position is that the local people can adopt Proportional Representation for their elections, but the option is in an unworkable form. Only Armidale has P.R. after 22 years. In fact, through the widening of the local franchise, it could not adopt it now. Our view is that proportional representation should be adopted straightout for all Council elections. The least that should be done is to make the option workable.

RECENT ELECTIONS

We have just had elections for the New South Wales State Legislative Assembly. The U.A.P.—U.C.P. (Conservative) had been in office for nine years—a record term. They were badly defeated; the A.L.P. (Labor Party) secured a substantial majority and a new Government has been sworn in under the leadership of Mr. W. J. McKell.

We were specially interested in these elections as four candidates were put forward by the New Social Order Party. It had a straight out Henry George program. They did good work of an educational character but were unsuccessful at the ballot box. It seems plain that both parties are inclined to make common cause against Independents, especially if they have a radical policy.

Mr. E. J. Craigie, who was a member of the South Australian House of Assembly for a number of years, was recently defeated in that way. The party nominees, who hated each other, advised their supporters to give the second preference to the other party nominee and to put the Independent candidate last. Mr. Craigie was leading on the first count and the Labor nominee was lowest. The bulk of his ballot papers, when he was counted out, went to the Conservative candidate, so Mr. Craigie was defeated.* (Readers will recall that Mr. Craigie attended the International Conference in New York in 1939 and was elected President of the International Union.)

We welcome the return of the Labor Party to power in New South Wales. The late Government proved extremely reactionary from our point of view. We could not get them to do anything. It was first led by Mr. Stevens, who professed to be a single taxer. His father was understood to be an ardent Henry George man. Not only did he do nothing, but he put a Mr. Spooner in the key position from our point of view and he proved a hopeless reactionary—a vested interests man.

OUR PROSPECTS NOW

There are primarily three steps in advance which are overdue and justified by the state of public opinion in New South Wales. They are: government support of the Valuation Department, revision of assessment methods, and rating reform for water supply.

Government Support of the Valuations Department.—In 1916 a Valuation of Land Act was passed into law. Previously, the Local Governing bodies made their own valuations. This proved unsatisfactory as local influences intervened to prejudice the valuations. The idea of the new Act was to provide valuations of land, etc., for all public purposes by an independent authority. Since that time no government has given the Valuation Department sufficient support to enable it to complete its work. Mr. Spooner was very hostile to it and did all he could to hamper it. The Department,

*See Mr. Craigie's letter in the Correspondence section of this issue.—Ed.

however, in spite of its disabilities, has done very good work. It was a Labor Government that passed the Act in 1916 and we want the new Labor Government to give the Valuation Department adequate support.

Revision of Assessment Methods.—The N. S. W. system is defective in one important respect. Its purpose is to assess the selling value. We pointed this out when the bill was under consideration in 1915, before it was passed. We urged that a tax upon the value of land did not affect the value, it enabled the State or the local Council to share the economic rent with the owner. Assessing selling values, however, has been the plan hitherto adopted in Australia.

This defect is avoided in the very interesting constitutional amendment framed for the State of New York, published by LAND AND FREEDOM. Selling value is rightly the value apart from improvements in or on the land and assuming that no rate or tax is imposed upon it. Where a rate or tax is imposed the owner then shares the economic rent with the taxing authority. He can only sell his equity in the land and the selling price is reduced in proportion.

Valuing according to the selling price sets up a variable and uncertain basis of taxation. That necessitates a higher rate of tax to get necessary revenue. We want to get our new Government to realize this and amend the Act accordingly. As long as the rate of tax is small it does not matter very much. But raising substantial revenues from land values would produce an impossible position. Taking the whole of the economic rent for the use of the people would mean that land would have no selling price, but its value would probably be greater than ever on account of accelerated social and industrial progress.

Rating Reform for Water Supply.—Our rating system used by our Councils throughout the State, from the City of Sydney to the remotest center, except in the sparsely settled Western Division, is on unimproved land values—all improvements are exempt. In the Sydney and Newcastle areas there are Water and Sewerage Boards. They rate on the old rental value basis. For 25 years we have sought to get these rates also imposed on a land value basis.

By means of public meetings, petitions to Parliament, letters to the press, deputations to Premiers and Ministers, we have demonstrated that the public is in favor of it. Vested interests in land speculation and property interests in the City of Sydney have hitherto prevailed. The "City" makes its own valuations, the suburbs are under the Valuer General. The Valuer General should have taken over the work in the City long ago.

We hope that the new Minister will be more favorable than his predecessors. If we could only get a vote of the ratepayers there would be no doubt as to the result. In fact these rates would have been on land values years ago if the rate-payers had had the power to decide the issue.

Our British Letter

From DOUGLAS J. J. OWEN

ON April 7 the Chancellor of the Exchequer introduced his Budget, showing an estimated expenditure of £4,207 millions, of which £3,500 millions is expenditure under votes of credit for carrying on the war. These figures do not include the value of supplies from the United States under the Lease-Lend Act, nor for payments under existing orders in your country. The amount to be raised in taxation is £1,786 millions, leaving a balance of £2,421 millions to be met by the creation of debt.

A remarkable feature of this Budget is that there are no new taxes. Commodities are evidently taxed enough. There is an increase in the Income Tax and this is made heavier still by reductions in the allowances formerly made on account of "personal" income and "earned" income. These reductions of allowances will hit the lower incomes heavily. This one alteration will make over two million more people liable to income tax, including those whose incomes are of the 45 shillings a week level. Sir Kingsley Wood boasts of this as a "first class revolution in our fiscal system—deducting Income Tax from salaries and wages. Four million taxpayers now have tax deducted from pay week by week or month by month."

An entirely new departure is what *The Times* calls "this infiltration of Mr. Keynes' ideas into the financial front." This is the provision that any extra tax paid because of the reduction in personal allowances and earned income allowances will be credited to the taxpayer in the Post Office Savings Bank after the war, £65 being the maximum allowance. This is a compulsory savings scheme designed to reduce spendings and thus help to close the inflationary "gap." *The Times* says: "The real menace is the gap between revenue at home and expenditure at home; and it would be quite misleading to enlarge the gap by taking account of expenditure abroad, more especially since the passage of the Lease-Lend Act in the United States. The size of the gap is therefore put at about £500,000,000." The Budgetary task is therefore said to be that of controlling and limiting any upward tendency of prices due to the pressure of purchasing power on available supplies. Huge spendings by the Government have generated a corresponding amount of spending power in the hands of the public. If all of this were used to purchase goods in the shops it would destroy the precautions against inflation, that standing menace of Governments in wartime. It is therefore held necessary to withhold a substantial part of surplus purchasing power through controls and through the instrument of taxation, to avoid the vicious spiral of rising costs (wages) and rising prices. The total war economy now includes rationing of food and clothing, price control, raw materials control, Price of Goods Act, direction of labor, requisitioning of

factories and warehouses, Limitation of Supplies Orders and the concentration of industry. And now compulsory savings. But in all this there is no control of land speculation; no taxation of land values.

Sir Kingsley Wood also rejoiced at the low rate of interest on Government borrowings. This will mean, he said, that post-war expansion and recovery would start with a lighter interest burden. "In rebuilding our cities after the war the maintenance of a low rate of interest will do much to ease the financial problem." Here we see another attempt to keep wages and interest at a lower level than if uncontrolled and left to normal economic influences. Meanwhile, land is outside this controlled sphere, and rent will rise as wages and interest decline. Those who will continue to seek high returns will simply invest in land, and there is ample evidence, referred to later, that this is what is happening. A tax on the value of land would be effective control against speculation, at the same time increasing those "available supplies" to offset increasing spending powers. But the only mention of such a tax in the Budget was that it was impracticable in war-time, "apart from other considerations." This is pretty thin as an excuse, in view of the ease with which control schemes of all kinds can be operated. No doubt the "other considerations" weigh most with the Chancellor, who will not fail to consider the claims of the vested interest in land monopoly.

Meanwhile, as stated, "The Price of Land is Soaring," to quote the headline in the London *Evening Standard* of April 22. Prices of land, this paper says, are almost double pre-war prices. Good farm land worth £30 an acre before the war, is now selling at £80 per acre. In a number of cases land has realized £100 to £150 an acre. This land, of course, is not assessed for local taxation purposes at any value at all. One authority states there is hardly any land left for sale. "The most popular investments are rich dairy farms of between 150 and 500 acres. The large joint stock banks and insurance companies have been very active in these land purchases. People feel that land values are more likely to remain constant than those of movable commodities. Land is least susceptible to bombing."

The pages of *Land & Liberty* for April and May continue to give many more instances beside the above of the unchecked ramp in land. Public opinion is far in advance of the Government on this question. The Commissions set up on Reconstruction, on the Bombed Sites scandal, etc., promise their reports and plans. There are suggestions to fix the price of bombed land at its pre-war level; also that the Government or the local authorities should buy up such land. There is a proposal that the City of London should purchase all the land in its area. All the time there is no doubt that the public are ready for bold legislation on Henry George lines to end the "racket" not only in bombed sites but in all valuable land, town and country alike.

Our Canadian Letter

From HERBERT T. OWENS

CANADA'S FINANCIAL STATUS

PARLIAMENT has been dealing with Canada's record budget. Expenditures for the next fiscal year are estimated at \$1,768,000,000, and may, of course, go higher. In addition, the financing of our own and Great Britain's purchases in the United States will very probably increase our commitments to \$2,500,000,000. That is quite a far cry from the tempo of \$500,000,000 which was the pre-war rate of spending of our federal government.

In pre-war days, customs, excises, sales tax and income taxes were the main reliance as income sources. Today consumption taxes, though larger in volume due to more general employment and a larger national income, have not been unduly increased, but income taxation is much steeper. For war purposes, resort was had to a national defense tax of 2% on wages, and it is now proposed to raise this to 5%. An excess profits tax was also imposed last year as a war measure, and this is being made heavier. A tax on interest and dividends payable may be modified due to a protest from the Premier of Ontario. Sugar will pay an extra cent a pound, a total of 2c, which is in the nature of an extra consumption impost, and another whack is taken at cosmetics and toilet preparations. A tax on purchases of automobiles and buses is also increased in the new budget. All classes of imbibers will be hit by new taxes on beer, malt and wine as well as on carbonic acid gas used in soft drinks.

The government is invading the following new fields: Inheritance taxes, or succession duties, hitherto the exclusive domain of the provinces, will yield an estimated \$20,000,000 to the federal exchequer. There will be a federal tax on gasoline gallonage of 3c a gallon. All types of transportation tickets will carry a tax of 10%, while a 20% impost will be put on receipts of movie theatres. A tax on race track betting is expected to yield \$1,000,000.

Predictions that the sales tax would be increased have not come to pass, and the government has evidently developed a conscience on this particular consumption tax. The sales tax rate of 8% has been left as it is, with this exception: that building materials, which have been exempted from sales tax for the last few years, are now made subject to the tax. The sales tax is expected to yield \$203,500,000.

There is one item in the expenditures which is reminiscent of the New Deal and that is an item of \$35,000,000 set aside to provide for payments to "stimulate reductions in wheat acreage"—because the Western wheatgrowers have been producing chronic surpluses of this commodity.

In order to prevent overlapping, the Finance Minister has revived a recommendation of the Sirois Royal Commission that the provinces should abandon income and cor-

poration tax fields, only the proposal now is that this should be for wartime duration. The provinces have been offered a *quid pro quo* so that their revenues will not suffer, and all of them but Ontario have signified some agreement, and it is thought that Ontario will climb on the band wagon, too.

The proposed new levels of income tax are being criticized in some quarters because they are not steep enough. The combined federal and provincial income taxes in Ontario, Prince Edward Island and Quebec permit the married taxpayer still to enjoy \$85,000, \$88,000 and \$90,000 respectively of his \$500,000 income, whereas the \$1500 income has to pay \$75 plus \$30 wages tax, leaving \$1,395 net. Manitoba and British Columbia permit a taxpayer to retain \$69,000 and \$47,000 respectively out of a \$500,000 income. On the other hand, Alberta and Saskatchewan demand virtually a capital levy, for the income taxpayer in those two provinces, after the federal government has its cut, pays \$48,000 more than his \$500,000 income in Alberta and \$83,400 more in Saskatchewan. That is one reason why the wealthy and the framers of the Sirois Report want the provinces to abandon this field so that there will be uniformity. The feeling has been voiced in parliament, however, by the Socialist and Sorced groups that such sums as those still permitted in the highest brackets in most of the provinces are much too generous; and this correspondent agrees.

THE ST. LAWRENCE SEAWAY

Since the signing of the agreement between Canada and the United States on the St. Lawrence Seaway, provision has been made for the huge Beauharnois power development in Quebec province, now in private hands, to be expropriated and turned over to the Quebec Hydro Commission. Up to the present, practically all of the hydro development in Quebec has been by private interests, in contrast to Ontario where practically all water powers are a public monopoly. The private power interests in Quebec had their spokesmen in the lower house, and Premier Godbout had to use his influence to obtain the passage of the measure. He said: "When all other provinces are putting electricity under state control, I don't want Quebec to stay behind . . . We don't want to antagonize anyone. But we cannot allow companies to retard the development of our resources. I want Quebec province to move ahead of all the others in the after-war period. This provincial hydro has been promised by practically all governments and by all government leaders." The lower house passed the bill, but some opposition is being met in the upper chamber. It is to be expected that the action of the U. S. Congress on the seaway scheme, will affect not only public ownership of hydro in the United States, but also in Quebec.

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A FREE COPY of LAND AND FREEDOM is an invitation to become a subscriber.

Note to Readers

WE are desirous of securing copies of the May-June 1911 and September-October 1912 issues of LAND AND FREEDOM (then known as THE SINGLE TAX REVIEW). The May-June 1911 issue was a Special Number for Vancouver, and the September-October 1912 issue was a Special Number for New Zealand. If any of our readers have copies of these numbers, or one of them, and would be willing to part with same, please communicate with us, quoting the prices desired.

* * *

We have available for free distribution extra copies of LAND AND FREEDOM for the years 1934 to 1939. The issues for those six years contain innumerable articles of enduring value, and should be circulated widely. They are especially excellent for introducing new people to the philosophy of Henry George. Copies of these issues, in the quantity desired, will be sent upon request. For each copy, enclose a 2c stamp for postage. In the following list, one article from each issue has been selected, to give some idea of the range of subjects covered, and to help you make a selection:

- Mar.-Apr. 1934—Harry Weinberger at the N. R. A. Hearings
- May-June 1934—Albert Einstein on Henry George
- July-Aug. 1934—Death of Oscar H. Geiger
- Sept.-Oct. 1934—Analysis of New York Slums
- Nov.-Dec. 1934—Comparison of Henry Ford and Henry George, by C. O'C. Hennessy
- Jan.-Feb. 1935—Complete Single Tax Questionnaire, by H. J. Foley
- Mar.-Apr. 1935—Gold Clause Cases, by R. V. McNally
- May-June 1935—Henry George School Progress
- Sept.-Oct. 1935—Statement on the Single Tax, by Henry George
- Nov.-Dec. 1935—Statement on the Single Tax, by Henry George
- (continued)
- Jan.-Feb. 1936—Figures on Land Values, by G. H. Duncan
- Mar.-Apr. 1936—Curiosities of Taxation, by J. D. Miller
- May-June 1936—Economic Aspects of Land Titles, by W. Fairchild
- July-Aug. 1936—The California Campaign, by J. H. Ralston
- Sept.-Oct. 1936—International Henry George Conference at London
- Nov.-Dec. 1936—The Fight of Mayor McNair of Pittsburgh
- Jan.-Feb. 1937—Social Credit Summarized, by David Chodorov
- Mar.-Apr. 1937—The Romance of New York Real Estate, by J. D. Miller
- May-June 1937—The Assessment of Land, by Lawson Purdy
- July-Aug. 1937—Tenancy in the Philippines, by Will Lissner
- Sept.-Oct. 1937—The Difficulties of Democracy, by J. D. Miller
- Nov.-Dec. 1937—Henry George and Princeton University
- Jan.-Feb. 1938—Henry George the Economist, by Prof. B. Mitchell
- Mar.-Apr. 1938—The Story of Joseph II of Austria
- May-June 1938—Where Marx Agrees with George, by Bolton Hall
- July-Aug. 1938—Henry George, Jr.'s Campaign, by J. H. Newman
- Sept.-Oct. 1938—A World Survey of the Land Question, by M. Bateman
- Nov.-Dec. 1938—Federal Laws on Land Tax, by B. W. Burger
- Jan.-Feb. 1939—Public Education as a Course of Social Action, by Will Lissner
- Mar.-Apr. 1939—Public Education as a Course of Social Action, by Will Lissner (continued)
- May-June 1939—In Memoriam—Joseph Dana Miller
- Sept.-Oct. 1939—Centenary of Henry George
- Nov.-Dec. 1939—The Father McGlynn Case

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Henry George Foundation of America

The Single Taxers of Chicago, under the able leadership of Chairman Clayton J. Ewing, are busy with plans and preparations for the Sixteenth Annual Henry George Congress which is to assemble at the Hotel LaSalle Monday, Tuesday and Wednesday, September 29 and 30 and October 1. A strong program is being prepared and, as it is now seven years since the Henry George Congress has gone to the Middle West, members and friends in that section are exhibiting a special interest in this year's gathering.

Facing the tremendous social and economic problems of the present world crisis, as well as those which may arise after the war, the program this year will feature an interpretation by prominent speakers of the Georgeist attitude towards war and its causes and a discussion of the part which the Henry George movement may and should play in the effort to reconstruct our social and industrial system on sound economic principles.

"The Georgeist Task in a War-Torn World" will be the topic to be presented by Sidney J. Abelson, of New York City, Chairman of the newly organized American Alliance to Advance Freedom. Among other well-known speakers who will address the Congress are: Col. Victor A. Rule, author of the book, "Chain the War God"; Hon. Peter Witt, Cleveland, Ohio; Benjamin W. Burger, New York City; Gilbert M. Tucker, Albany, N. Y.; Charles H. Ingersoll, President of the Manhattan Single Tax Club; Horace J. Haase, Director of the School of Democracy, New York City; Robert Clancy, Associate Editor of *LAND AND FREEDOM*, New York City; former Congressman Charles R. Eckert, of Beaver, Pa.; Dr. Mark Millikin, Member of City Council, Hamilton, Ohio; Mrs. Anna George deMille, New York City; John Lawrence Monroe, representing the Henry George School of Social Science, of Chicago; Mrs. Helena Mitchell McEvoy, Washington, D. C.; John B. McGauran, Denver, Colorado; E. S. Woodward, of Vancouver, British Columbia; Henry H. Hardinge and J. Edward Jones, of Chicago; Harold S. Buttenheim, Editor, *The American City*, New York City; Hon. George E. Evans, of Pittsburgh, President of the Henry George Foundation; Mrs. Lyril Clark Van Hyning, Chicago.

The usual annual banquet of the Henry George Foundation will be held on Wednesday evening, October 1, as the closing feature of the convention, and a special evening program of dramatic entertainment is being planned under the leadership of Mrs. Clayton J. Ewing with the cooperation of young Single Taxers of Chicago.

A printed invitation with full program details will be mailed to members and friends of the Foundation during the month of August, and a representative attendance from all sections of the country is anticipated. Ample time is being set aside on this year's program for open forum discussions of some of the more important questions which are occupying the minds of prominent Georgeists, both theoretical and practical, dealing with economic, legislative and political aspects of the movement to advance the Georgeist philosophy.

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

The big news this month is the publication, by the Foundation, of a Guide for Teaching the Principles of Political Economy, based on the text of "Progress and Poverty," by Henry George. This Guide, which was prepared by one of our trustees, is designed expressly for use in college classrooms. It divides the book into fifteen lessons, with questions and answers, and assigns approximately forty pages of reading for each. Dr. John Dewey, famous educator and philosopher, has written a Foreword to the Guide, the full text of which appears elsewhere in this issue.

Besides the large universities with which we are all familiar, there are about three thousand small colleges in the United States, teaching economics. An announcement of the Guide sent to a thousand, as a test, brought requests for copies from eighty-three professors. Practically all branches of the economics departments are represented in these returns. Three college presidents wrote personally for the publication.

One of the encouraging things about our work has been the increased use of "Progress and Poverty" as a college text, and we confidently believe the new Guide will help us tremendously to further cultivate this important field.

Winston Churchill's speeches on the land question, now available in pamphlet form (ten cents), are causing considerable comment, and some speculation as to whether the Prime Minister can be expected to put his knowledge of land value taxation to practical use when the war is over. I am told that the late John Paul, beloved English Georgeist, was Mr. Churchill's mentor in his early parliamentary days, and responsible to a large degree for bringing the land question, and its importance, to his attention at that time.

We placed our order last week for 17,000 more copies of books by Henry George. This includes 10,000 "Progress and Poverty," and smaller editions of "Protection or Free

Trade," "The Science of Political Economy," and "The Land Question." When these books are printed, they will bring the total number of George's books published by the Foundation to 104,950 copies.

You have probably been reading about Colonel Josiah C. Wedgwood, British Georgeist, in this country on a lecture tour. The daily press has devoted considerable space to a chronicle of his progress from platform to platform, along the Eastern seaboard. It is appropriate, then, to announce at this time, "Forever Freedom," published in England and now available in this country, the work of Colonel Wedgwood and our own American author, Allan Nevins.

"Forever Freedom" (twenty-five cents a copy), is an anthology in prose and verse from England and America. It is well seasoned with selections from Henry George, and is rich with the words of men whose greatness we learned about in childhood days. Old friends like Benjamin Franklin, George Washington and Patrick Henry are represented, as well as the inspiring words of some unfamiliar writers such as Leno and Dennisthorpe. The speaker who would stock his verbal larder with choice sentences, as well as the reader who desires only to share the fruits of these brilliant minds, will greet "Forever Freedom" as a book of enduring worth.

Henry George School of Social Science

The First Annual Convention of the School was held at the New York City headquarters, July 9, 10 and 11. Representatives from the various extensions and out-of-town visitors attended, as well as many New York Georgeists. There were over 200 registered delegates, besides many unregistered visitors.

The first day (Wednesday, July 9) was given to welcoming the delegates, familiarizing them with the School, and allowing them to become acquainted with one another. Anna George de Mille, Otto K. Dorn and Frank Chodorov addressed the delegates.

The morning session of the second day (Thursday, July 10) was taken up with panel discussions on various theoretical topics, including "George and Cooperatives," by John T. Tetley, "Will There Be Enough Rent," by R. M. Connor, "Housing," by David Targ, and "The Value of a Teacher," by Jacob Schwartzman. In the afternoon, different branches of the School's work were discussed. Teresa McCarthy spoke on the relation of extensions with headquarters; Gaston Haxo discussed the work in the correspondence course division; Herbert von Henningsen told of the Lecture Forums; and Alfred M. Gants spoke on ways to get publicity for the School, presenting an interesting advertising program. The Robert Schalkenbach Foundation was also represented at this session by V. G. Peterson. At the evening session, John Lawrence Monroe of Chicago gave an inter-

esting account of the Henry George movement before the advent of the School, stressing the failure of political movements without a background of mass enlightenment and intelligent leadership. M. B. Thomson presented an enactment of a typical classroom scene, himself in the role of instructor, and various assistants throughout the audience acting as students. Mr. Thomson's demonstration was entertaining as well as instructive.

The morning and afternoon sessions of the third day (Friday, July 11) were devoted to further discussions of the School's problems and activities, including classroom techniques, the speakers' bureau, extension activities, and other educational problems. Raymond V. McNally delivered a talk on "Whom Can We Teach?" which evoked much debate. A visitor who took part in the discussions was M. E. Kriegel, one of Oscar H. Geiger's original students, and now a lecturer, radio commentator and editor.

In the evening—the last session of the conference—Hon. Lawson Purdy and Col. the Right Hon. Josiah Wedgwood addressed the group. Lawson Purdy delivered an interesting impromptu talk on some progressive achievements made during the past half century. He expressed the belief that the Georgeist doctrine should be taught in all its purity, but added that at the same time Georgeists ought to strive for reforms worth attaining on their own merit, without bringing the Georgeist philosophy or the name of Henry George into them.

Col. Wedgwood, Member of the British Parliament, now in the United States on a speaking tour, addressed the group on the principles of freedom for which Georgeists are struggling. His talk was broadcast over Station WQXR. Mr. Wedgwood related his experiences in South Africa where, after the Boer War, he was in charge of a town. There was a fringe of common land around the town which Wedgwood allowed the veterans of the war to use. They worked upon it and built their own homes. In consequence, wages throughout the whole town rose to the full product of each laborer's toil—illustrating the effect of free land on wages. More of Col. Wedgwood's adventures may be found in his book, "Essays and Adventures of a Labor M. P." Col. Wedgwood is also co-author of the new anthology, "Forever Freedom."

At the conclusion of the last session, William Newcomb presented his recently completed slide film, "The Story of the Savannah," based upon Henry George's eloquent description of the growth of a city, in "Progress and Poverty." M. B. Thomson acted as narrator.

Thus concluded the First Annual School Convention. It has helped to foster fellowship among the various workers and friends of the School in New York and out of town. It is hoped that there will be more of these conferences in the future.

Henry George Committee for Legislative Action

LEGISLATORS' REACTION TO THE FRAMEWORK

Over a thousand copies of "A Legislative Framework for the Philosophy of Henry George" have been sent to various legislators and public officials throughout the country. Many acknowledgments and expressions of interest have already been received from federal, state and local authorities. William Hildebrand, Jr., Executive Clerk for the State of New Jersey, has requested ten more copies of the Framework. Three acknowledgments have come from the U. S. Treasury Department, two from Acting Secretaries John L. Sullivan and Herbert E. Gaston, and one from the Legislative Counsel, Thomas N. Tarleau. Mr. Sullivan wrote to the Committee as follows:

"This will acknowledge receipt of the copy of your pamphlet . . . which outlines constitutional amendments and enabling legislation to permit the taking through taxation of the full annual value of all land, exclusive of improvements.

"It is the purpose of the Treasury to cooperate with the Committee on Ways and Means of the House of Representatives in the formulation of a tax program which will be borne equitably by all citizens.

"Permit me to thank you and the members of your organization for their recommendations and to assure you that they will receive careful consideration in our current study of tax revision."

Walter Fairchild, Counsel for the Committee, has replied to Mr. Sullivan as follows: "Our advocacy of a uniform land value tax is based upon the proposition which we consider to be an economic fact, that the taking of land value in taxation is the only tax which in its effect bears equally upon all citizens. The enclosed statement which follows the language used by Henry George deals with this point and shows the basis for the truth of this proposition. We believe that equity must be based upon equality." (The statement referred to was taken from "Progress and Poverty," Book VIII, Chapter 3, wherein Henry George tries a land value tax by the canon that a tax should bear equally.)

Herbert E. Gaston wrote as follows: "President Roosevelt has referred to this Department for consideration the copy of your pamphlet. . . The Treasury Department always appreciates the advice and suggestions of organizations devoted to the study of tax matters. Permit me to thank you on behalf of the President and myself for submitting the pamphlet. I am sure that it will prove very helpful in our current study of the tax structure."

PROGRESS MADE WITH THE FRAMEWORK

Mr. Charles A. Kee introduced the Legislative Framework at a meeting of the Resolutions Committee of Council 77 of the Civil Service Forum, on May 13. Resolutions

adopted by the Forum are recommended to the Annual Convention of the State Association of Civil Service Employees. Mr. Kee, a member of the Committee, reports as follows:

"At this meeting there were four resolutions for the Committee of twenty-six to consider, and after these had been disposed of in quick succession, I introduced the Legislative Framework. The immediate reaction to such a far-reaching resolution was to sidetrack it as not within the realm of the organization. Even the labels 'red' and 'communistic' were applied by a few, and my fellow Forum member, Frank Berman, bore the brunt of this. However, we persevered for more than a half-hour in defense of the single tax philosophy. As the hour grew late, the members asked that they be given a chance to study the bill, and so discussion was postponed until the next meeting, May 20.

"At the May 20 meeting, our resolution was the first item of business, and the result of a week's study by the members amazed such an old campaigner as Frank Berman by the intelligence displayed by both our opponents and supporters—for in the short interval, we had gained both!

"An interesting sidelight of the discussion was the attention paid to the provision in the State Constitution that the land shall forever remain 'allodial.' The members, having a great reverence for the Founding Fathers, were sold on the idea that the Fathers never meant to have private ownership of land for speculative purposes.

"After more than an hour's discussion, a vote was called for. Feeling that we had had fair success in exposing the Committee to the philosophy contained in the Framework, and feeling also that the resolution would stand a better chance of being passed next year, after more careful study, I withdrew the resolution so that it could be re-introduced at the next meeting. In the interim, Frank Berman and I intend to carry on a propaganda campaign so that the members will be better informed."

Mr. Hugh Wilson, of the Committee on Legislation, Local 23 of the Oil Workers International Union, wrote to the Henry George Committee for Legislative Action: "I am in favor of the proposed Committee. And I am in favor of affiliation with other reform groups. If these organizations then affiliate or back one of the major political parties or a strong competent progressive third party, so much the better. Can you tell me what the general opinion and prospect of such action is among liberals?"

Mr. Fairchild's reply to Mr. Wilson helps to clarify the functions of the Committee: "It is the purpose of the Henry George Committee for Legislative Action to encourage the introduction and passage of legislation placing the tax burden on the site value of land exclusive of improvements and removing taxation from labor products of all kinds. It is not the policy of the Committee to join in political party

action. We will, however, be glad to furnish our literature and argument to all parties."

Mr. Jim Busey of Valdez, Alaska, hopes to make use of the legislation contained in the Framework, in Alaska. He writes as follows: "To carry through a Georgeist program in Alaska, we must have statehood. Territory is at present run under Organic Laws set by U. S. Congress and practically immune to change. Alaska is on the threshold of statehood. A statehood bill calling for a referendum passed the House in the last legislative session, but was tabled in the Senate. If we can have a definite legislative framework ready, we might be able to accomplish something. We have contacts which can put such material before the legislature. Could you draw up the sections of a new State Constitution which would bear on taxation?"

The following is Mr. Fairchild's reply: "I do not feel competent to draft constitutional or legislative enactments suitable for Alaska. If your Committee will arrange for local counsel to prepare a draft which will cover the local situation, we will be glad to go over it and give the benefit of our suggestions as to the application of the land value tax provisions."

This invitation is extended to all who wish to introduce land value tax bills in local legislatures. The Legislative Framework contains a model amendment for the United States Constitution, with necessary enabling legislation, and also a similar model amendment and enabling legislation for the State of New York. These may be used as guides in drafting other state and local amendments, and the Committee would be glad to examine them and offer suggestions. It might be added that the Committee has placed a copy of the Legislative Framework in the hands of every member of the New Jersey Senate and House of Assembly, where the Sanford Bill, Assembly No. 233, has been introduced as a home-rule measure for putting the Georgeist plan into effect in New Jersey municipalities. Messrs. Charles H. Ingersoll, John Allen, and Harry Haase constitute the spearhead of our forces in the New Jersey campaign.

Any inquiries concerning the Henry George Committee for Legislative Action or the Legislative Framework for the Philosophy of Henry George should be addressed to the Central Committee, care of LAND AND FREEDOM, 150 Nassau St., New York, N. Y.

American Alliance to Advance Freedom

The expanding activities of the Alliance, now functioning almost exclusively in New York, include a plan to organize on a national scale, with the ultimate purpose of coordinating all Georgeist efforts in the United States.

With this in view, the Alliance recently accepted invitations from leading Georgeists in Philadelphia and Boston to confer with them on the question of uniting their efforts with the Alliance. In both cities the matter is now under

advisement. Sidney J. Abelson, Chairman, represented the Alliance in these conferences.

Since its formation last January, the Alliance has concentrated its efforts on unifying Georgeists and preparing them for bringing the Georgeist message to the public. Enough of a nucleus of active workers has been organized to warrant inauguration of a campaign directed toward non-Georgeists. Plans for the Fall include activities of this nature.

The American Alliance welcomes inquiries from all sources. Pamphlets, handbills and other descriptive literature will be mailed without charge to all who inquire. Address Elbert E. Josefson, Secretary, American Alliance to Advance Freedom, Suite 505, 22 W. 48th St., New York, N. Y.

Great Britain

Mr. Douglas J. J. Owen sends us the following news:

The Henry George movement in all countries will be greatly concerned at the total destruction by enemy action on May 10th of the offices at Knightrider Street, London, which were the headquarters of the International Union for the Taxation of Land Values and Free Trade. All records, manuscripts and the library are lost. A duplicate mailing list which was not burnt enabled the May issue of *Land & Liberty* to be posted to the usual subscribers. Fortunately, also, the precaution had been taken of dispersing the stock of publications for sale to a number of addresses in other parts of the country, and these publications are still available. Another piece of good luck is that the safe has now been retrieved, opened after much effort and the contents found intact. Our secretaries, Messrs. Madsen and Douglas, were quickly at work and at once found alternative accommodation, and the new offices are now at 4 Great Smith Street, London, S.W.1. These offices adjoin the printers of *Land & Liberty*, and are also near the Houses of Parliament, and on both counts and in other respects are very convenient. The June number of the journal has inevitably been delayed, and so has the publication of the new 2s 6d booklet: "Why the German Republic Fell." This contains twenty-eight of the best articles from *Land & Liberty* in the past eighteen months, dealing with the economic cause of war and with economic freedom as the basis of social justice and world peace. It comes in remarkably useful at the present juncture and does in a sense make up for the loss of our back numbers in the fire that took place. This will be out by the time these words are in print.

[The book of which Mr. Owen speaks, "Why the German Republic Fell," has just arrived, as we go to press. It will be reviewed in our next issue.

Also arrived by recent mail—too late, unfortunately, for inclusion in the current issue—is an interesting article from Mr. J. W. Graham Peace, whom we take pleasure in welcoming back to the fold of LAND AND FREEDOM Correspondents after an absence of some years. (See News Notes and Personals in this issue.) Mr. Peace's article will appear in our next number.—Ed.]

BOOK REVIEWS

LAND SPECULATION AND PREMATURE SUBDIVISION

"Premature Land Subdivision a Luxury." A 60 page Report prepared by the New Jersey State Planning Board, Trenton, N. J. 1941. 50c.

For those who would know more about premature land development as a factor in municipal finance problems it is recommended that a careful reading be made of the above entitled study. The report is well documented and admirably complements and corroborates the more theoretic findings and conclusions to be found in "Progress and Poverty." It brings us face to face with the housing evils that result from the unscientific system of land tenure now in practice. A regrettable omission is that of any recommendation along the lines proposed by Henry George, but then, after all, perhaps only a Georgeist can really "see through" the lop-sided city "planning" that now obtains. Nevertheless, it is only fair to say that the compilers have done a conscientious job in disclosing the ugliness of our housing system. Even their recommendations are good, so far as they go.

Premature land subdivision is a natural concomitant of our present revenue policy, which unconsciously abets the speculative development of sites in areas not economically fit or ready for urban population. The consequent costly municipal servicing of such sparsely settled and distant points, with highways, sanitary and water systems, lighting, schools, etc., must invariably be followed by a vicious circle of higher taxes, special assessments, increased public debt, and bankruptcy.

"Like unemployed people, these unemployed vacant lots become public charges when private sources of support dry up. Not only do they cease to pay their share of governmental costs, shifting the burden to properties which are still paying taxes, but in addition, their debts, in the form of unpaid special assessments, must be shouldered by the municipality. Thus many municipalities throughout the State, already acutely conscious of the high cost of unemployed people, are becoming aware of the high cost of unemployed lots."

"These arrears mount to their greatest heights during depressions, when the reduced incomes of property owners generally are strained to the limit to meet normal taxes and their own fixed charges. Consequently these added burdens can be met in some cases only by the sacrifice of the essentials of life by people who had no part in the speculative ventures, and who could have reaped no benefits from them had they been successful, but who must nevertheless assume the costs entailed on pain of losing their own homes and places of business."

"Prematurely subdivided lands in New Jersey are sufficient to supply over a million 50x120 foot vacant lots, one for every family now resident in the State. Sample studies in nine suburban municipalities show that 45 per cent of all vacant lots in those areas have been tax-delinquent for more than one year, most of them for more than five years. Assuming, on the basis of previous studies, that similar conditions are general wherever there is a large surplus of subdivided land, it is estimated that at least 40 per cent of all vacant lots in the State are chronically tax-delinquent."

"Further evidence of the vulnerability to financial collapse of municipalities suffering from excessive land plotting . . . reveals that 12.4% of New Jersey's municipalities are under state fiscal control." (I. e., under authority of a Municipal Finance Commission or Local Government Board, fiscal agencies created by the State to take over tottering communities).

An enlightening disclosure brought out in the report is the liability, in many cases, of a town to pay to the County, State, and School Districts a tax based on its own inflated valuation of lots platted from old farm and other rural types of land, which formerly as mere

acreage bore no such fiscal burden. Despite the non-payment of taxes on these lots by the "real estate" developers, who have long since abandoned them, in many cases they are assessed on the town's tax rolls at as much as \$30 a lot, whereas in fact they are entirely worthless. The actual taxpayers of the community must of course pay for this folly.

A large part of the report deals with the difficult and, in many instances, hopeless task of collecting tax arrearages.

"Of the eight selected municipalities studied in detail, only six made sales of (tax) foreclosed and deeded properties in 1938 . . . None received prices even approaching the accumulated taxes and other municipal charges. Three of them collected about two-thirds of their lost revenue, one about a half, one about a third, one only seven per cent. It is impossible to judge how typical these 1938 sales are of the amount that might be recouped over a period of years by these or by other municipalities. But this and other scattered evidence seems to support the conclusions that few municipalities have recouped or will ever recoup any considerable portion of their lost revenue by sale or foreclosed or deeded properties."

A rather remarkable phenomenon in the maze of contradictions resulting from our present social setup is the tendency of smart towns to discourage the construction of modest price dwellings.

"In Teaneck, for instance, the intended use of land is carefully investigated. Houses of less than \$5,000 or \$6,000 value are not considered municipal assets because of the low tax return in relation to the probable cost of municipal services to be rendered."

It is indeed a peculiar state of affairs in which low level income parents are not encouraged to own houses in such places, since the cost to the town of providing education for their children is said to exceed the amount of real estate taxes collectible from the property they occupy. This will amuse Georgeists, who know that, with all taxes abolished except a single tax on land values, communities would develop in keeping with natural trends and needs of population, being automatically removed from the problems which plague society today.

In concluding our review and comment of this very able study of urban planning, we have purposely refrained from dwelling upon the various recommendations of the authors, for the reason that they are more ameliorative than curative. To be sure, the compilers have done their work honestly and with exceeding care, to the extent that it has been given to them to understand the problem. By the same token we can well afford to cooperate in any endeavor that has for its object the clearance of slums and establishment of better living quarters for all. Georgeists must be ever ready to submit their views to our modern government housing agencies.

LESLIE PICOT

A WARNING FROM ANDRE MAUROIS

"Tragedie en France," by Andre Maurois. Collection "Voix de France," Maison Francaise, New York. 229 pp. \$1.50.

The Collection "Voix de France" presents works by expatriate French authors now residing in the United States since the fall of France. The present volume by Andre Maurois is the first of the series. In "Tragedie en France," Maurois—one of France's most distinguished writers, if not the most distinguished—presents his version of the great tragedy.

Maurois concentrates on the political and military deficiencies of his country, and offers a timely warning to the remaining democracies to act swiftly and strongly. But throughout his excellent survey, we can sense another warning—not to abandon the principles of Liberty. We are reminded of Henry George's words: "We speak of Liberty as one thing, and of virtue, wealth, knowledge, invention, national strength and national independence as other things. But, of all these, Liberty is the source, the mother, the necessary condition."

CORRESPONDENCE

MR. CRAIGIE EXPLAINS

EDITORS LAND AND FREEDOM:

You will have noticed by the last issue of *The People's Advocate* that I was not successful in the last South Australia elections in winning the Flinders seat in the House of Assembly—a seat which I have held for the past eleven years. There was a determined effort made by both political parties to prevent me from returning to the House. At various times during debates I have freely criticized the party men and shown that their ideas were not sound. As they had no effective answer to my criticism, both parties combined to see that I was not elected. They issued "How to Vote" cards, and both parties put my name at the bottom of the list. I was at the top of the poll on the first preference vote, but when it came to a transfer of votes I was defeated.

Although I have not won the seat I am not downhearted. There is a lot of educational work to be done for right principles, and I shall continue to do my part in this direction. Many voters are already regretting the vote they gave against me, and there will be further opportunities for doing work in Parliament. A great number of electors are carried away with the war hysteria, and thus easily led astray by unscrupulous party leaders.

I read with interest of the work being done in America for Henry George principles and regret that there is such a difference of opinion as to the best means of propaganda. There is work for all to do, and anything that will give publicity to our principles is, in my opinion, doing educational work for the Georgean doctrine.

Adelaide, South Australia

E. J. CRAIGIE

HENRY GEORGE AND "ISM"

EDITORS LAND AND FREEDOM:

The suffix "ist" and "ism" added to a name or a cause carries an implication of disparagement to the mind of the average person. Webster's Collegiate Dictionary defines an "ism" as a distinctive "system or practice—usually disparaging."

For example, the word "sophos" (Greek) means wisdom. Our word "philosopher" means one who loves wisdom, with no disparagement implied. On the other hand, Webster's Collegiate Dictionary defines "sophism" as an argument intended to deceive or embodying a subtle fallacy; and "sophist" as a master of adroit and specious reasoning. "Philosophism" is defined as "spurious philosophizing."

"Ist" and "ism" imply something false, fallacious, spurious, adulterated, specious, subtle. The words "Georgeism" and "Georgeist" fall unpleasantly to the ear. Our diction would be improved by avoiding "ist" and "ism" when referring to the followers or principles of Henry George.

New York, N. Y.

WALTER FAIRCHILD

AN "INCONSISTENCY" CLEARED UP

EDITORS LAND AND FREEDOM:

In your last issue, Mr. A. G. Huie's article, showing that under the Sydney practice of exempting improvements and raising municipal revenue chiefly from land values, the value of land has continued to increase, and my article, arguing that land value taxation will ultimately take away the selling value of land, seem to be in conflict. That, however, is seen to be only a surface impression when the facts are analyzed.

1—Sydney is the second largest city in the British Empire in white population, and being the principal trading center of Australia, its land values are great on both counts.

2—Sydney's budget does not include either the cost of education or of police. These are considerable items in our civic budgets here; but the State of New South Wales looks after these functions and they are paid chiefly out of income tax and especially out of a wage or payroll tax. Land in Sydney is therefore relieved of the incidence of these two heavy taxes, which would make it relatively more valuable on a selling basis.

3—New South Wales, unlike its sister State of Queensland, does not now levy a state land tax. Landowners in Sydney, however, pay their share of the Commonwealth, or Federal land tax. The Commonwealth land tax, however, is not a heavy impost, being but a relatively small percentage of Commonwealth revenue. These facts both contribute to keeping up land values in Sydney.

4—Sydney's taxation system has contributed greatly towards making it the thriving and beautiful metropolis it is. It would seem inevitable, however, that if and when the State and the Commonwealth see the wisdom of raising their revenues also on the use value of land, the selling price of land and its assessment on that basis will disappear, and the necessity for the Woodward formula will arise. That may be some time in the future, but it should be gratifying to Georgeists to know that not only have we a real science of economics, but also a scientific methodology in applying our principles.

Ottawa, Canada

HERBERT T. OWENS

MR. SCHLEY DISCUSSES RENT AND GOVERNMENT

EDITORS LAND AND FREEDOM:

In his criticism of my article, Mr. James Snyder says, in your last issue, that the "collection of rent" and the "taxing of land values" are projects so "different that one of them can wreck the best laid plans of Georgeists." I fail to understand the distinction. The rent of land is the income derived from the ownership of land which is in excess of the income derived from the best free land in production. The owner of rent-producing land can hire labor to work his land by paying a wage equal to the amount labor can get by working the best free land available; and merely by exercise of the sole function of ownership he can keep the difference between the wealth his better land produces and that which the poorest land in use would yield to the same quantity of labor. This difference is the rent of his land. This rent accrues to the landowner for the sole reason that his title of ownership is socially or legally recognized and enforced, not for any productive act of his.

The market value of land is a mathematical function of its rent; it is caused by its capacity for yielding rent, which is the income the landowner does nothing productively to earn and which is what he sells when he sells the land. Land that is exchanged for wealth thus has its value set by the amount of rent it yields; and the amount of its value is precisely equivalent to that of any other investment that returns an income equal to the rent yielded by the land, speculative inflation apart. In the jargon of the economic writers, the value of land is its rent "capitalized"—the calculation of what quantity of capital would return that quantity of income. To collect the rent of the land and to tax it at the full going income of its capitalized value are therefore one and the same operation—by whichever name you call it, the effect is to pay the expenses of the state by taking the income yielded by the ownership of land; or so at least I have always understood the matter. If Mr. Snyder has valid ground for distinction of two processes named by the two phrases, I regret to say he has not made it clear enough for me to see.

From a distinction that seems to me hollow, Mr. Snyder goes on to use two senses of the ambiguous word "value" as though they were interchangeable, and so arrives at an absurdity. He says, "If we tax land values 100% the land values disappear, we have neither tax base nor taxes, the government is bankrupt." If we tax land values

100%, the marketability, the exchange value of the land disappears, but the capacity of the land to produce wealth, to produce an excess of marketable products over the production of the best available free land, is not necessarily diminished. This depends on that original productive quality of super-marginal land and on the distribution of population from which rents arise in the first place. If we tax land 100%, its value as marketability is destroyed, but its value as productivity is unaltered. So long as the land whose marketability has been destroyed by the single tax continues to produce an excess of wealth beyond the cost of the labor and capital employed at rates determined by the productiveness of labor and capital on the least productive lands in use, just so long will the flow of rent available for the expenses of government continue. The problem of assessing the tax after the market values of lands have been destroyed is an administrative problem, doubtless a difficult one, but it is not one of fundamental policy. The fundamental policy of the single tax aims at the destruction of the abuses inseparable from effective private ownership of land—it aims at the substance of public ownership under the familiar forms and the nominal aspect of private control. We must not be surprised if in destroying substantial private proprietorship we lose some of the administrative conveniences characteristic of the form.

Mr. Snyder's view of the nature of rent appears to me to diverge very widely indeed from that of Henry George. If I understand him, he holds that rent is a consequence of certain explicitly productive functions of government (the building of bridges, power dams, etc.) which are exactly like in kind, though perhaps superior in scope, to those of private productive enterprise. These productive enterprises of government confer increased value upon the portions of land which they serve, and the increased income of these lands is the rent on which alone the government is to levy its taxes.

If Mr. Snyder believes that the whole of the phenomenon known as "ground rent" or "economic rent"—the total share of the social income received or diverted by the ownership of land, as distinguished from the shares received by capital and labor—is a consequence of these activities of government, I think the point wants a great deal more support than he has given it. That phenomenon has been traced to other causes, and he would need at the least to show that these other causes are sufficiently characterized and specified by the formula: services of government.

It is true that in a sense land rent may be considered to be a value imparted to the land by the activities of government; that is, this value could not exist without the stability of social relations and productive processes characteristic of an orderly and regulated, a policed, community; and government may be viewed as the principle of cohesion, security, and regularity in the orderly society. But the same thing may be said for the other forms of productive income—wages and the return for the use of capital. No regular voluntary productive operation could take place if society lacked rules that secured to effort and risk the enjoyment of some settled portion of their resulting product. The husbandman would soon weary of planting if unchecked brigandage commonly robbed him of his ripened fruit; and to the degree that government protection induces the planting the fruit may be said to be a consequence of the activities of government. Government regularizes, enacts, and effectuates the modes in which the members of a society acquire and alienate their property, and in doing so may be considered the prime cause for the existence of all property not consumed at the very moment of production. Not only rent, but in this same sense wages and interest also are "values imparted by government."

This view of government is not so much inaccurate as it is too all-embracing to furnish us with answers to specific questions about

what distinguishes the separate phenomena of rent, wages, and interest. It is a logical principle that any one of the contributing conditions of a phenomenon may, within a given field of relevancy and in response to a given question, be isolated as the causative agent. If we ask the question, What portion of the wealth of society is due to the existence of government?—the answer must be, All of it—it is the cause of whatever phenomenon would cease to exist in its absence, all other conditions remaining the same. The existence of an accepted social order is a ground condition for the production of any wealth whatever; and it is the essential function of government to embody and make effective those regularities of conduct and securities for the production of wealth that express the stable will of society. If we ask, What acts of government cause the phenomenon of rent?—it would be fatuous to respond that rent was caused by the building of roads, power dams, and such overtly productive, extrapolitical services of government; for the phenomenon of rent and rent-caused penury could exist in quite as virulent form as they do if government undertook none of these productive enterprises, though it could not exist in the absence of exercise of the genuinely political functions of government. Nor could society afford to leave the strong right arm of its organized will to subsist precariously by trucking and huckstering such avocative turnips and carrots, to the detriment of its essential functions. Universal wisdom is no more for the most stringently rationed of politicians than it is for the business men; but one private enterprise may sink without serious damage to the community, while a government forced to curtail its vital duties by the failure of an expected income from an unwise investment would keep society trembling on the brink of anarchy.

No. The one service of government which affects rent is the "service" attended to by Georgeists—namely, the service of regularizing, legalizing, and securing the private receipt of rent—the private appropriation of land: the power of excluding society from the land at will, of admitting society to the use of land only on condition of payment arbitrarily fixed, which evermore drives the landless laborer farther into the desert searching for a livelihood as his only alternative to accepting a decreased share of the product his labor might bring forth on richer land. The total market value of all land is a consequence of this one governmental service, without which not even the bridgebuilding business could increase land values. This is the one truly political function which imparts value to the land, and the only possibility private landowners have of enjoying the superior income which their land affords them over the best free land, the best worthless land, is in the continued exercise of this one political function.

The contention of Georgeists is that the exercise of this function by government unjustly enriches one segment of society, whose members have not turned a hand to produce this superior income, and unjustly pauperizes another segment whose members cannot live without access to the land and who by their productive labors create the wealth thus diverted to the unequally favored landowners. They further contend that the stupid and unsystematic imposition of the taxes required for the expenses of government increase the impoverishment of the landless, both directly and by throttling the production and exchange of wealth; and that both of these great causes of poverty would be abated if the government abolished all of the other taxes it now collects and imposed the full weight of its expenses upon the unearned income now accruing to private landowners.

My article, to which Mr. Snyder's letter was a reply, considered the question whether this unearned income would be adequate for the expenses of government; concluding that it would be adequate. Mr. Snyder's only direct comment on this speculative question is in

the following words: "It is true that rent would be insufficient for all the present expenses of government"; but as he offers no considerations of his own to support this assertion, and as he reviews none of the considerations in the article from which it was concluded that rent *would* be sufficient, I am unable to see in what precise respect I have roused his disagreement. His own separate conclusion, that if government were limited by law to collecting rents created by its own productive enterprises, and if its only expenses were the costs of its productive enterprises, then, given practical wisdom, its income would equal its outlay, is unassailable; but I cannot see that it sheds any light on the question whether true economic rent, the differential income of lands superior in productiveness to the best available free land, would be sufficient for the expenses of government.

Portland, Oregon

ROBERT SCHLEY

A SUGGESTION AS TO "EMINENT DOMAIN"

EDITORS LAND AND FREEDOM:

Our President says: "The principle of eminent domain permits the government to acquire or to use, for a fair and reasonable price, any property necessary for the proper functioning of the United States."

Is that principle to be used only when the government wishes to make more up-to-date killing machines? Why not use the principle of eminent domain to buy the natural resources from the few who now own and control them, for the whole people, *never to be sold again*? Would that not add to the proper functioning of the United States?

Is this idea at variance with the basic aims of the Georgeist philosophy? Why not write to Congress and the President, suggesting it?

Philadelphia, Pa.

GEORGE T. FELDER.

IS INTEREST NATURAL?

EDITORS LAND AND FREEDOM:

Mr. Hodgkiss' "Australian View on Interest," in the November-December issue, agrees with Mr. Haxo (and "an avalanche of letters to the Editors") that interest is not due to the reproductive forces of Nature. But notwithstanding this basic scientific error he endorses the "Progress and Poverty" theory that "wages and interest rise together"; resting it upon the familiar proof (!) that wages and interest were high in the Gold-Rush field.—Apart from the fact that *Rents also were high*, more careful consideration is vitally important.

The Georgeist teaching of increasing interest is obviously antagonizing workers so as to practically prevent acceptance of the land rent remedy. Therefore advocates of the remedy must responsibly determine whether such teaching is true or libelous.

When the remedy cuts off all land-investing, it is obvious that *all* savings of normally prosperous and provident people will have to be used as capital,—or else suffer natural wastage. This will naturally *increase the supply of capital available for business demand* as compared with the *present supply apart from land investments*. And even under present less prosperous conditions "idle" savings mount up enormously, safety being the main requirement.

Interest yield to owners of capital *must now be "equalized" with rent yield to owners of land* (in the judgment of investors). But when the alternative of land-investing is cut off, the law of supply and demand will naturally control, and scarcity alone can compel interest. Of course *capitalists may earn indefinitely by participating investments*, but this has nothing to do with "increasing interest" to mere owners of capital.

Intelligent investors commonly recognize that "safe" interest to

mere owners of capital *does actually equalize* with "safe" rent yield from land investments; and that *only participation in business doings and risks gives hope of further (indefinite) yield*. No capitalists are converted to public collection of rent by this promising of increased interest, but workers are strongly (and wrongly) antagonized by advocacy of increasing incomes *to do-nothing owners—whether of land or capital*. Business earnings apart from monopoly are naturally respected; confusing them with unearned income breeds Communism and Socialism.

Reading, Pa.

WALTER G. STEWART

NEWS NOTES AND PERSONALS

FRIEDA S. MILLER, Chairman of the Committee on Discrimination in Employment, New York State Council of National Defense, has requested LAND AND FREEDOM for a statement to assist in the campaign to crystallize public opinion on the principle of equality and non-discrimination in employment. We have submitted the following: "The fulfillment of the American way of life involves the provision that every person be granted an opportunity to earn his livelihood on an equal basis with every other person, and that no discrimination be made on account of race, color or creed. Where such discrimination exists, an endeavor should be made to seek the cause and to remove it."

FROM Josef Hoop, Chief of the Government of Liechtenstein, has come an appreciative acknowledgment of the article on that tiny country—"Liechtenstein, Land Without Army or Taxes," by Pavlos Giannelia—which appeared in the November-December 1940 issue of LAND AND FREEDOM.

READERS will note the addition of two Special Correspondents on the masthead of this issue—A. G. Huie of Australia, and J. W. Graham Peace of Great Britain, the latter being restored after a lapse of some time. We regret being obliged to drop two of our other Correspondents—J. J. Pikler of Hungary, and Lasar Karavanove of Bulgaria. We are unable to communicate with them at the present time, but look forward to the day when we shall hear from them and be able to restore them as Special Correspondents.

BERTHA SELLERS writes: "John F. Conroy, a late veteran, though perhaps not a conspicuous one, in the Henry George cause, formed a chain of about two dozen letter writers covering many cities in the country, contributing to many papers. It is proposed to reorganize this group and to greatly enlarge it. If any readers would like to join, please address: Bertha Sellers, 133 Ogden Ave., Swarthmore, Pa."

AMONG the most tireless writers of letters to periodicals and persons prominent in the political and educational worlds are H. W. Noren of Pittsburgh and J. Rupert Mason of San Francisco. Both men, and the many others who engage in letter writing, serve to keep before prominent people the fact that Georgeists are still in the field to secure a much-needed reform.

O. B. COLLIER, a friend in Detroit, has commenced editing a new series of releases entitled "World News Analysis." A sentence in one of the releases suggests the aim of the series: "A straight reporter may call it a day when the day's greatest catastrophe has been written up, but W N A believes that someone must ferret out the hidden news and expose it to the public eye."

B. W. BURGER's valuable collection of Henry George memorabilia was exhibited in the Annual American Hobby Show in the Hearn Auditorium, New York, July 14-26. Mr. Burger's exhibit included photographs and a bust of Henry George, autographed editions of his work, letters and notes, and other interesting material. It is Mr. Burger's hope to stimulate interest in George by presenting the biographical aspect.

ON THE "MUST" LIST

* * *

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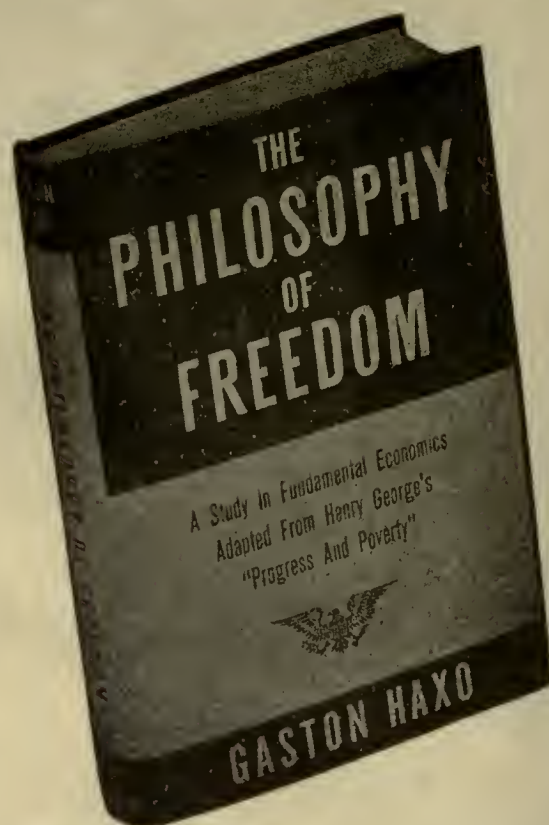
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